

# M&G Investment Funds (1)

**Annual report and audited financial statements  
for the year ended 31 August 2025**

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# Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (1) presents its annual report and audited financial statements for the year ended 31 August 2025.

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

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

## Company information

M&G Investment Funds (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 31 August 2025, none of the funds held shares of the other funds within this OEIC.

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

## Fund managers

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

### M&G Asian Fund

David Perrett

### M&G European Sustain Paris Aligned Fund

John William Olsen

### M&G Global Sustain Paris Aligned Fund

John William Olsen

### M&G Global Themes Fund

Alex Araujo

### M&G Japan Fund

Carl Vine

### M&G Japan Smaller Companies Fund

Carl Vine

### M&G North American Dividend Fund

John Weavers

### M&G North American Value Fund

Daniel White

## ACD

M&G Securities Limited

10 Fenchurch Avenue, London EC3M 5AG, UK

Telephone: 0800 390 390 (UK only)

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

# Authorised Corporate Director's Report

## Directors of the ACD

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

\* Appointed 13 January 2025.

\*\* Resigned 30 June 2025.

\*\*\* Resigned 1 October 2025.

\*\*\*\* Appointed 12 March 2025.

\*\*\*\*\* Resigned 13 January 2025.

## Investment manager

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

## Registrar

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

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

## Important information

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

From 2 April 2025 the M&G European Sustain Paris Aligned Fund and the M&G Global Sustain Paris Aligned Fund adopted the 'Sustainability Improvers' Label. The investment objective, policy and approach of the M&G European Sustain Paris Aligned Fund and the M&G Global Sustain Paris Aligned Fund were changed on the same day.

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

# Authorised Corporate Director's Report

## Investor information

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

## Customer services and administration for UK clients:

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

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

Telephone: 0800 390 390 (UK only)

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

## Customer services and administration for non-UK clients:

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

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

Telephone: +352 2605 9944  
Email: [csmang@caceis.com](mailto:csmang@caceis.com)

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

## German information agent:

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

# Authorised Corporate Director's Report

## Authorised Corporate Director's Responsibilities

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

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

## Directors' statement

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

M&G Securities Limited  
5 November 2025

# Depository's Responsibilities and Report

## Statement of the Depository's Responsibilities and Report of the Depository to the Shareholders of M&G Investment Funds (1) ('the Company') for the year ended 31 August 2025

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

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

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

The Depository must ensure that:

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

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

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

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

Edinburgh  
5 November 2025

NatWest Trustee and  
Depository Services Limited

# Independent Auditor's Report

## Independent Auditor's Report to the shareholders of M&G Investment Funds (1)

### Opinion

We have audited the financial statements of M&G Investment Funds (1) ("the Company") comprising each of its sub-funds for the year ended 31 August 2025, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables for each of its sub-funds, and the Notes applicable to the Financial Statements of all sub-funds, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 August 2025, and of the net revenue and the net capital gains on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### Basis for opinion

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

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

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



# Independent Auditor's Report

We have nothing to report in this regard.

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

In our opinion:

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

## Matters on which we are required to report by exception

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

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

## Responsibilities of the ACD

As explained more fully in the ACD's responsibilities statement set out on page 4, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

# Independent Auditor's Report

Our approach was as follows:

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

expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [frc.org.uk/auditorsresponsibilities](http://frc.org.uk/auditorsresponsibilities)

This description forms part of our auditor's report.

## Use of our report

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

Edinburgh  
5 November 2025

Ernst & Young LLP  
Statutory Auditor

# 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

### 1 Statement of compliance

The financial statements of M&G Investment Funds (1) have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017, except in relation to the separate disclosure in note 13.

### 2 Summary of significant accounting policies

#### a. Basis of preparation

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

The financial statements of M&G Investment Funds (1) are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

#### b. Functional and presentational currency

Where the functional and presentational currency of a fund is not UK sterling this is disclosed in the 'Financial statements and notes' of that fund.

#### c. Exchange rates

Transactions in currencies other than each fund's functional currency are translated at the rate of exchange ruling on the date of the transaction and where applicable assets and liabilities are translated into the fund's functional currency at the rate of exchange ruling as at 12 noon on 29 August 2025 being the last business day of the accounting period.

#### d. Investments – recognition and valuation

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

At the end of the reporting period all investments have been measured at their fair value using the prices and the portfolio holdings determined at 12 noon on 29 August 2025, being the last valuation point of the accounting period, as this is not materially different from a valuation carried out at close of business on the balance sheet date.

Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the single price or most recent transaction price is used. Interest accrued is not included in the fair value. The methods of determining fair value for the principal classes of investment are:

- Equities which are traded on an active market are included at the quoted price, which is normally the bid price.

# Financial statements and notes

- Equities traded on the Alternative Investment Market (AIM), whose liquidity cannot be guaranteed, are included at their quoted bid price as this represents the most objective and appropriate method of valuation.
- Collective investment schemes operated by the ACD are included at either their cancellation price for dual priced funds or their single price for single priced funds.
- Collective investment schemes operated by another manager are included at either their bid price for dual priced funds or their single price for single priced funds.
- Other equities which are unquoted or not actively traded on a quoted market are included at a value estimated by the ACD using an appropriate valuation technique.
- Exchange traded futures and options are included at the cost of closing out the contract at the balance sheet date.
- Over the counter equity options, credit default swaps, interest rate swaps, asset swaps and inflation swaps are included at a value provided by Markit Valuations Limited, an independent credit derivative price provider. Their fair value excludes any accrued interest in respect of derivatives where the income is revenue in nature.
- Forward currency contracts, for share class hedging and investment, are included at a value determined by reference to current forward exchange rates for contracts with similar maturity profiles.

## **e. Recognition of income and expenses**

- Dividends, including ordinary stock dividends, from equity investments are recognised when the security is quoted ex-dividend.
- Distributions from collective investment schemes are recognised when the scheme is priced ex-distribution.

- Bank interest is recognised on an accruals basis.
- Underwriting commission is recognised when the issue takes place.
- Revenue from derivatives is recognised on an accruals basis.
- Fee rebates from investing in other collective investment schemes are recognised on an accruals basis.
- Expenses are recognised on an accruals basis.

## **f. Treatment of income and expenses**

- Any increases or decreases in the fair value of investments and gains and losses realised on sales of investments are treated as capital and recognised in net capital gains/(losses).
- The value of any enhancement to a stock dividend is treated as capital.
- Ordinary equity dividends, including ordinary stock dividends are treated as revenue.
- Special dividends, share buy backs or additional share issues may be treated as revenue or capital depending on the facts of each particular case.
- Distributions from collective investment schemes are treated as revenue in nature, except for any element of equalisation, which represents the average amount of income included in the price paid for the collective investment scheme, which is treated as capital.
- Other interest income, such as bank interest is treated as revenue.

# Financial statements and notes

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

## g. Operating charges

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

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

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

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

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

## h. Portfolio transaction costs

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

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

Investments are bought or sold by a fund when changes are made to the investment portfolio and

# Financial statements and notes

in response to net flows of money into or out of the fund from investors buying and selling shares in the fund.

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

## i. Tax

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

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

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

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

## j. Allocation of returns to share classes

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

All available net revenue accounted for in accordance with the above policies and adjusted where relevant by any specific distribution policies set out in the notes to that fund's financial

statements, is distributed to holders of Income shares or retained and reinvested for holders of Accumulation shares. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

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

## 3 Risk management policies

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

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

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

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

### a. Market risk

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

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



# Financial statements and notes

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

## **b. Commitment approach**

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

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

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

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

## **c. Liquidity risk**

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

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

Investment liquidity considerations include an assessment of asset class liquidity conditions, liquidity of underlying holdings, portfolio

construction and concentration, the scale of individual stock ownership and the nature of the investment strategy.

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

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

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

## **d. Counterparty credit risk**

Funds investing in derivatives are exposed to counterparty risk. This is the risk that the other party to the transaction fails to fulfil their obligations, either by failing to pay or failing to deliver securities. To minimise this risk, carefully selected, financially strong and well-established counterparties are selected following a thorough due diligence review and collateral is posted daily (in the form of cash or high-quality government bonds). Derivative positions are valued on a mark-to-market basis (revalued to reflect prevailing

# Financial statements and notes

market prices) daily and collateral moves from one counterparty to the other to reflect movements in the unrealised profit or loss. As a result, the maximum loss to the fund would be limited to that day's price movements in affected derivatives contracts.



# Authorised Corporate Director’s Report

For the purposes of these financial statements, the Prospectus dated 2 April 2025 has been used.

## Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the 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.

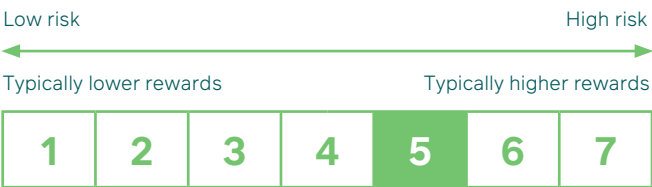
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund’s holdings may deviate significantly from the benchmark’s constituents.

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. For details of the risk management policies, please refer to pages 12 to 14.

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 2024 to 27 July 2025 the risk number was 6.

# Authorised Corporate Director's Report

## Investment review

For the year ended 31 August 2025

### Performance against objective

Between 1 September 2024 (the start of the review period) and 31 August 2025, the fund's sterling share classes delivered a positive total return (the combination of income and growth of capital). Fund performance was ahead of the benchmark, the MSCI AC Asia Pacific ex Japan Index, which advanced 14.7% during the period.

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

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

### Performance review

The MSCI AC Asia Pacific ex Japan Index recorded a positive return during the review period, and outperformed global equities as measured by the MSCI AC World Index. Much of this was due to the strong performance of China and Hong Kong, which make up around a third of the regional index by market capitalisation.

China's stockmarket appreciated significantly in the third quarter of 2024, following stimulus measures announced by the authorities. In the first quarter of 2025, the rally gained momentum driven by attractive valuations and investor enthusiasm for the country's technology sector, sparked by DeepSeek's artificial intelligence (AI) breakthrough in late January. As the quarter progressed, the technology-led rally broadened to include other sectors.

Another large market that performed positively was Taiwan which benefitted from ongoing evidence that AI demand remained strong. Markets that lagged included India, Indonesia and Thailand. Indian equity markets have underperformed over the past year, largely due to

elevated valuations and a deceleration in earnings growth, which have tempered investor enthusiasm. Additionally, global investors have increasingly shifted focus toward China, attracted by its relative valuation appeal.

Against this backdrop the fund outperformed its benchmark. In line with our strategy, stock selection was the main driver of outperformance and was particularly strong in India, Taiwan and China. The fund's overweight exposure to Hong Kong/China and Singapore and underweight exposure to India aided relative performance.

In terms of individual names, Cartrade Tech, an India-based multi-channel auto platform; Crystal International, a Hong Kong headquartered clothing manufacturer; and GF Securities, a Hong Kong-listed broker, aided performance. GF Securities benefitted from an increase in the number of Chinese individuals opening brokerage accounts to trade equities. We think the cycle continues to improve and returns should follow.

Crystal International experienced a rise in its stock price following the announcement of a substantial increase in attributable profit for the first half of 2025. In recent years it has focused on self-help, repositioned its manufacturing base, successfully entered sportswear and vertically integrated its supply chain and in doing so built a strong sustainability proposition. We have added to this position on weakness when it was sold off on tariff concerns earlier in the year, as our view was it was not as vulnerable to tariff concerns given its position in the more premium market.

Conversely, key detractors over the period included Amcor, the world's largest consumer packaging company; Bank Mandiri Persero, an Indonesian bank; and Hyundai Motor, the car maker.

Amcor describes itself as the world's leading packaging business – supplying multinational corporations with drink, health, personal care and pet food packaging to name but a few applications. Amcor stands to benefit from a couple of positive medium-term trends. Firstly, it just merged with a large competitor further

# Authorised Corporate Director's Report

strengthening its industry leadership and research and development (R&D) spend. Our estimate is that the new entity should be able to generate 30% of its net profit through operational synergies (Amcort is a serial acquirer with a successful track record). Secondly, as the packaging industry shifts to providing more environmentally friendly solutions, the importance of R&D spend and intellectual property will only grow as consumer-focused businesses require value added, bespoke solutions. In the past, Amcor clients, with a lag, would recycle production. However, the increased sophistication involved with producing sustainable packaging will make a shift to lower cost, local suppliers increasingly difficult going forward, affording Amcor the potential for stronger volume growth. The market has been focused on near term softer demand trends, especially in North American beverages, which has weighed on sentiment. With the stock sporting a near 5.5% dividend yield, pre-synergies, our sense is that the market is being overly worried about near-term trends and missing the potential for material self-help.

## Investment activities

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

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

We tend to make longer-term investments, although returns may be enhanced by opportunistic positioning where merited by the risk/reward opportunity. The desire is for portfolio returns to be driven by our stockpicking ability, rather than the portfolio's exposure to be dominated by one or two specific investment styles. We also pay close attention to the portfolio's below-benchmark positions. The performance gap

between the portfolio and the benchmark index over time is affected not just by what we invest in, but also what we do not.

At the end of 2024, we added Baidu and closed our position in LG Chem. Our holding in LG Chem was a modest position and we kept it partly as a hedge against the broader Korean electric vehicle battery supply chain. We remained underweight in aggregate, which proved correct, and with the sector shrinking in importance we exited the name.

In February 2025, we began new positions in Xiaomi. We also added Mixue, an IPO we participated in at the end of February in which we received a cornerstone allocation. In March, we began new position in Hana Financial and exited our positions in KB Financial and Mineral Resources.

In the second quarter of 2025, we added Bajaj Auto, Mahindra & Mahindra, H World, Apollo Hospitals Enterprise, Mesoblast, DiDi Global and Hon Hai Precision Industry and exited our position in Baidu, Nexteer Automotive, JD.com, MINISO, PDD Holdings, CSL, HUTCHMED China and COSCO SHIPPING Ports.

## Outlook

Recognising the challenges of macroeconomic and geopolitical event forecasting, our approach is to focus on bottom-up stock opportunities and to carefully mitigate unintended risks through portfolio construction.

Fortunately, there are a number of potentially interesting single stock opportunities dotted across the region at present: a Southeast Asian telecom company yielding nearly 8%, which is currently at the tail end of market consolidation; a global packaging company, trading at a 5%+ yield, that is going through an acquisition which should drive material synergies over the coming two years; and Chinese hotel businesses that are growing rapidly, as they consolidate the market with their nimble, client-focused franchise models. These examples offer a flavour of the diversified and uncorrelated stock opportunities that currently exist across the Asia Pacific region.

# Authorised Corporate Director's Report

Importantly, they are opportunities that are in no way predicated on an investor having the ability to make an accurate judgement call on macroeconomic or geopolitical events.

## 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 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities</b>	<b>1,175,897</b>	<b>99.09</b>	<b>100.71</b>
<b>Australia</b>	<b>100,119</b>	<b>8.44</b>	<b>10.76</b>
682,936 ANZ Group Holdings Ltd.	15,010	1.27	
616,616 BHP Group Ltd.	17,368	1.46	
480,986 BlueScope Steel Ltd.	7,199	0.61	
47,151,235 FBR Ltd.	123	0.01	
4,426,146 Lendlease Corp. Ltd.	16,006	1.35	
7,119,905 Mesoblast Ltd.	10,085	0.85	
108,701 Mesoblast Ltd. Warrants 20/03/2028	0	0.00	
588,482 National Australia Bank Ltd.	16,364	1.38	
1,973,279 Stockland	7,947	0.67	
581,498 Woodside Energy Group Ltd.	10,017	0.84	
<b>Bermuda</b>	<b>22,040</b>	<b>1.86</b>	<b>3.61</b>
57,749,000 Pacific Basin Shipping Ltd.	16,172	1.36	
10,784,000 Sinopec Kantons Holdings Ltd.	5,868	0.50	
<b>Canada</b>	<b>0</b>	<b>0.00</b>	<b>0.54</b>
<b>Cayman Islands</b>	<b>240,560</b>	<b>20.27</b>	<b>18.51</b>
120,000 17LIVE Group Ltd. Warrants 07/12/2028	0	0.00	
1,961,476 Alibaba Group Holding Ltd.	29,250	2.47	
312,667 Atour Lifestyle Holdings Ltd. ADR	12,190	1.03	
207,634 Autohome, Inc. ADR	5,884	0.50	
2,641,000 CK Asset Holdings Ltd.	12,445	1.05	
1,358,850 CK Hutchison Holdings Ltd.	8,962	0.76	
23,551,000 Crystal International Group Ltd.	20,848	1.76	
1,948,682 DiDi Global, Inc. ADR	11,329	0.95	
664,128 H World Group Ltd. ADR	25,204	2.12	
3,736,904 KE Holdings, Inc.	21,875	1.84	
440,980 Meituan	5,824	0.49	
765,200 Tencent Holdings Ltd.	58,679	4.94	
20,172,000 WH Group Ltd.	21,640	1.82	
945,511 Xiaomi Corp.	6,430	0.54	
<b>China</b>	<b>119,878</b>	<b>10.10</b>	<b>9.33</b>
8,973,700 Beijing Oriental Yuhong Waterproof Technology Co. Ltd.	14,801	1.25	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>China (continued)</b>			
137,400 BYD Co. Ltd.	2,196	0.18	
1,911,000 China Merchants Bank Co. Ltd.	11,771	0.99	
7,466,600 China Tower Corp. Ltd.	11,257	0.95	
5,283,400 GF Securities Co. Ltd.	12,574	1.06	
8,654,000 Hainan Meilan International Airport Co. Ltd.	11,556	0.97	
4,641,600 Huatai Securities Co. Ltd.	11,779	0.99	
7,223,986 Jiangsu Zhongtian Technology Co. Ltd.	16,443	1.39	
165,400 Mixue Group	9,185	0.77	
12,991,000 Sinopec Engineering Group Co. Ltd.	11,577	0.98	
3,219,000 Weichai Power Co. Ltd.	6,739	0.57	
<b>Hong Kong</b>	<b>69,446</b>	<b>5.85</b>	<b>5.49</b>
3,194,800 AIA Group Ltd.	30,124	2.54	
2,528,500 BOC Hong Kong Holdings Ltd.	11,441	0.96	
3,788,500 China Resources Beer Holdings Co. Ltd.	13,659	1.15	
1,209,000 Sun Hung Kai Properties Ltd.	14,222	1.20	
<b>India</b>	<b>129,689</b>	<b>10.93</b>	<b>8.89</b>
101,478 Apollo Hospitals Enterprise Ltd.	8,749	0.74	
75,103 Bajaj Auto Ltd.	7,339	0.62	
678,141 Cartrade Tech Ltd.	18,366	1.55	
3,558,974 HDFC Bank Ltd.	38,453	3.24	
853,065 ICICI Bank Ltd.	13,503	1.14	
759,591 Infosys Ltd.	12,648	1.06	
1,933,894 Juniper Hotels Ltd.	6,162	0.52	
445,576 Mahindra & Mahindra Ltd.	16,157	1.36	
541,203 Reliance Industries Ltd.	8,312	0.70	
<b>Indonesia</b>	<b>51,271</b>	<b>4.32</b>	<b>3.94</b>
41,819,500 Bank Mandiri Persero Tbk. PT	11,970	1.01	
49,185,200 Bank Rakyat Indonesia Persero Tbk. PT	12,080	1.02	
143,866,500 Telkom Indonesia Persero Tbk. PT	27,221	2.29	
<b>Jersey</b>	<b>34,538</b>	<b>2.91</b>	<b>2.28</b>
4,034,839 Amcor PLC	34,538	2.91	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Singapore</b>	<b>73,841</b>	<b>6.22</b>	<b>8.52</b>
234,304 DBS Group Holdings Ltd.	9,207	0.77	
29,725,200 Genting Singapore Ltd.	16,651	1.40	
16,753,700 Netlink NBN Trust	12,057	1.02	
2,728,100 Singapore Telecommunications Ltd.	9,148	0.77	
484,700 United Overseas Bank Ltd.	13,270	1.12	
5,966,500 Yangzijiang Shipbuilding Holdings Ltd.	13,508	1.14	
<b>South Korea</b>	<b>128,343</b>	<b>10.81</b>	<b>12.77</b>
207,534 Hana Financial Group, Inc.	12,227	1.03	
156,504 Hyundai Motor Co. Preference Shares	18,562	1.56	
113,448 Samsung Electro-Mechanics Co. Ltd.	13,069	1.10	
698,642 Samsung Electronics Co. Ltd.	34,975	2.95	
26,845 Samsung Fire & Marine Insurance Co. Ltd.	8,533	0.72	
213,009 Samsung Life Insurance Co. Ltd.	21,848	1.84	
99,932 SK Hynix, Inc.	19,129	1.61	
<b>Taiwan</b>	<b>152,943</b>	<b>12.89</b>	<b>11.03</b>
617,220 Delta Electronics, Inc.	14,356	1.21	
1,868,000 Hon Hai Precision Industry Co. Ltd.	12,435	1.05	
162,000 MediaTek, Inc.	7,260	0.61	
3,133,178 Taiwan Semiconductor Manufacturing Co. Ltd.	118,892	10.02	
<b>Thailand</b>	<b>53,229</b>	<b>4.49</b>	<b>5.04</b>
1,713,200 Advanced Info Service PCL	15,548	1.31	
3,675,900 Bangkok Bank PCL	17,588	1.48	
2,113,200 Kasikornbank PCL	10,992	0.93	
25,430,000 Thai Beverage PCL	9,101	0.77	
<b>Derivatives</b>	<b>28</b>	<b>0.00</b>	<b>0.00</b>
<b>Forwards</b>	<b>28</b>	<b>0.00</b>	<b>0.00</b>
Sold HKD111,700,000 for USD14,424,629 Settlement 10/02/2026	28	0.00	
<b>Total portfolio</b>	<b>1,175,925</b>	<b>99.09</b>	<b>100.71</b>
<b>Net other assets/(liabilities)</b>	<b>10,835</b>	<b>0.91</b>	<b>(0.71)</b>
<b>Net assets attributable to shareholders</b>	<b>1,186,760</b>	<b>100.00</b>	<b>100.00</b>

All securities are on an official stock exchange listing except where referenced.  
The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 August 2025

Largest purchases	\$'000
Taiwan Semiconductor Manufacturing Co. Ltd.	75,473
Amcor PLC	32,385
Tencent Holdings Ltd.	31,814
HDFC Bank Ltd.	25,421
H World Group Ltd. ADR	22,652
Alibaba Group Holding Ltd.	20,591
Telkom Indonesia Persero Tbk. PT	19,691
AIA Group Ltd.	18,468
Samsung Electronics Co. Ltd.	17,023
WH Group Ltd.	15,845
Other purchases	565,000
<b>Total purchases</b>	<b>844,363</b>

Largest sales	\$'000
iShares MSCI Taiwan UCITS ETF	14,369
Franklin FTSE Korea UCITS ETF	9,657
Taiwan Semiconductor Manufacturing Co. Ltd.	9,055
DBS Group Holdings Ltd.	8,321
JD.com, Inc.	7,848
MINISO Group Holding Ltd.	7,742
Delta Electronics, Inc.	7,211
Cartrade Tech Ltd.	6,247
Atour Lifestyle Holdings Ltd. ADR	5,859
COSCO SHIPPING Ports Ltd.	5,703
Other sales	128,704
<b>Total sales</b>	<b>210,716</b>

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



# Financial highlights

## Fund performance

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

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

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

## Long-term performance by share class

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

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+22.8	+10.9	+11.4	+9.6
Class 'A' Accumulation	+22.9	+10.9	+11.4	+9.6
Class 'I' Income	+23.3	+11.3	+11.9	+10.2
Class 'I' Accumulation	+23.3	+11.4	+11.9	+10.2
Class 'PP' Income	+23.4	n/a	n/a	n/a
Class 'PP' Accumulation	+23.5	n/a	n/a	n/a
Class 'R' Income	+23.0	+11.1	+11.6	+9.9
Class 'R' Accumulation	+23.0	+11.1	+11.6	+9.9
<b>Benchmark</b>	<b>+14.7</b>	<b>+6.1</b>	<b>+5.7</b>	<b>+9.5</b>

<sup>a</sup> Not annualised.

## Specific share class performance

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

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

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 14 September 1973.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	1,565.88	1,402.71	1,512.62
Return before operating charges*	376.99	227.13	(38.95)
Operating charges	(17.28)	(15.25)	(18.68)
Return after operating charges*	359.71	211.88	(57.63)
Distributions	(61.24)	(48.71)	(52.28)
Closing NAV	1,864.35	1,565.88	1,402.71
*after direct transaction cost of	2.43	1.71	1.85
<b>Performance</b>			
Return after charges (%)	22.97	15.11	(3.81)
<b>Other information</b>			
Closing NAV (\$'000)	181,659	149,538	115,861
Number of shares	7,237,769	7,249,780	6,514,022
Operating charges (%)	1.00	1.01	1.25
Direct transaction costs (%)	0.14	0.11	0.13
<b>Prices</b>			
Highest share price (UK p)	1,946.74	1,669.51	1,627.02
Lowest share price (UK p)	1,516.25	1,367.20	1,291.90

## Sterling Class 'A' Accumulation shares

The share class was launched on 14 September 1973.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	3,138.30	2,727.24	2,833.79
Return before operating charges*	755.64	440.60	(71.43)
Operating charges	(34.66)	(29.54)	(35.12)
Return after operating charges*	720.98	411.06	(106.55)
Distributions	(89.33)	(66.71)	(64.56)
Retained distributions	89.33	66.71	64.56
Closing NAV	3,859.28	3,138.30	2,727.24
*after direct transaction cost of	4.88	3.32	3.46
<b>Performance</b>			
Return after charges (%)	22.97	15.07	(3.76)
<b>Other information</b>			
Closing NAV (\$'000)	22,567	17,145	15,167
Number of shares	434,349	414,746	438,588
Operating charges (%)	1.00	1.01	1.26
Direct transaction costs (%)	0.14	0.11	0.13
<b>Prices</b>			
Highest share price (UK p)	3,901.65	3,245.05	3,049.72
Lowest share price (UK p)	3,038.89	2,657.45	2,421.52

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	1,847.48	1,648.31	1,770.24
Return before operating charges*	445.94	267.39	(45.80)
Operating charges	(12.44)	(10.88)	(14.82)
Return after operating charges*	433.50	256.51	(60.62)
Distributions	(72.42)	(57.34)	(61.31)
Closing NAV	2,208.56	1,847.48	1,648.31
*after direct transaction cost of	2.92	2.02	2.17
<b>Performance</b>			
Return after charges (%)	23.46	15.56	(3.42)
<b>Other information</b>			
Closing NAV (\$'000)	75,035	27,841	21,588
Number of shares	2,523,678	1,144,038	1,032,890
Operating charges (%)	0.60	0.61	0.85
Direct transaction costs (%)	0.14	0.11	0.13
<b>Prices</b>			
Highest share price (UK p)	2,305.94	1,967.35	1,907.38
Lowest share price (UK p)	1,793.29	1,609.08	1,512.90

## Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	2,490.28	2,155.58	2,230.97
Return before operating charges*	601.25	349.05	(57.04)
Operating charges	(16.80)	(14.35)	(18.35)
Return after operating charges*	584.45	334.70	(75.39)
Distributions	(81.65)	(61.65)	(59.37)
Retained distributions	81.65	61.65	59.37
Closing NAV	3,074.73	2,490.28	2,155.58
*after direct transaction cost of	3.94	2.67	2.76
<b>Performance</b>			
Return after charges (%)	23.47	15.53	(3.38)
<b>Other information</b>			
Closing NAV (\$'000)	474,715	163,318	64,199
Number of shares	11,468,394	4,978,715	2,348,803
Operating charges (%)	0.60	0.61	0.82
Direct transaction costs (%)	0.14	0.11	0.13
<b>Prices</b>			
Highest share price (UK p)	3,108.38	2,572.02	2,404.92
Lowest share price (UK p)	2,417.28	2,103.63	1,907.50

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 27 April 2023.

for the year/period to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	108.84	97.02	100.00
Return before operating charges*	26.28	15.74	(1.11)
Operating charges	(0.63)	(0.54)	(0.20)
Return after operating charges*	25.65	15.20	(1.31)
Distributions	(4.27)	(3.38)	(1.67)
Closing NAV	130.22	108.84	97.02
*after direct transaction cost of	0.18	0.12	0.05
<b>Performance</b>			
Return after charges (%)	23.57	15.67	(1.31)
<b>Other information</b>			
Closing NAV (\$'000)	32,349	46	25
Number of shares	18,452,912	32,000	20,010
Operating charges (%)	0.50	0.51	0.51
Direct transaction costs (%)	0.14	0.11	0.13
<b>Prices</b>			
Highest share price (UK p)	135.96	115.87	103.18
Lowest share price (UK p)	105.71	94.74	95.89

## Sterling Class 'PP' Accumulation shares

The share class was launched on 27 April 2023.

for the year/period to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	114.12	98.69	100.00
Return before operating charges*	27.57	15.97	(1.11)
Operating charges	(0.65)	(0.54)	(0.20)
Return after operating charges*	26.92	15.43	(1.31)
Distributions	(3.88)	(2.93)	(1.49)
Retained distributions	3.88	2.93	1.49
Closing NAV	141.04	114.12	98.69
*after direct transaction cost of	0.18	0.12	0.05
<b>Performance</b>			
Return after charges (%)	23.59	15.63	(1.31)
<b>Other information</b>			
Closing NAV (\$'000)	386,797	44	25
Number of shares	203,709,200	29,243	20,000
Operating charges (%)	0.50	0.51	0.51
Direct transaction costs (%)	0.14	0.11	0.13
<b>Prices</b>			
Highest share price (UK p)	142.58	117.84	103.18
Lowest share price (UK p)	110.84	96.35	95.89

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	180.84	161.75	174.16
Return before operating charges*	43.58	26.20	(4.49)
Operating charges	(1.70)	(1.49)	(1.90)
Return after operating charges*	41.88	24.71	(6.39)
Distributions	(7.08)	(5.62)	(6.02)
Closing NAV	215.64	180.84	161.75
*after direct transaction cost of	0.28	0.20	0.21
<b>Performance</b>			
Return after charges (%)	23.16	15.28	(3.67)
<b>Other information</b>			
Closing NAV (\$'000)	1,178	1,073	1,100
Number of shares	405,844	450,555	536,523
Operating charges (%)	0.85	0.86	1.10
Direct transaction costs (%)	0.14	0.11	0.13
<b>Prices</b>			
Highest share price (UK p)	225.16	192.72	187.45
Lowest share price (UK p)	175.27	157.75	148.78

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	241.72	209.75	217.62
Return before operating charges*	58.24	33.91	(5.50)
Operating charges	(2.27)	(1.94)	(2.37)
Return after operating charges*	55.97	31.97	(7.87)
Distributions	(7.27)	(5.45)	(5.27)
Retained distributions	7.27	5.45	5.27
Closing NAV	297.69	241.72	209.75
*after direct transaction cost of	0.38	0.26	0.27
<b>Performance</b>			
Return after charges (%)	23.15	15.24	(3.62)
<b>Other information</b>			
Closing NAV (\$'000)	12,460	10,376	9,220
Number of shares	3,109,084	3,258,765	3,466,724
Operating charges (%)	0.85	0.86	1.11
Direct transaction costs (%)	0.14	0.11	0.13
<b>Prices</b>			
Highest share price (UK p)	300.96	249.83	234.35
Lowest share price (UK p)	234.27	204.50	186.00

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 August		2025		2024	
	Note	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Net capital gains/(losses)	3		170,429		47,193
Revenue	5	28,794		10,707	
Expenses	6	(4,595)		(2,372)	
Interest payable and similar charges		(7)		(3)	
Net revenue/(expense) before taxation		24,192		8,332	
Taxation	7	(4,478)		(1,362)	
Net revenue/(expense) after taxation			19,714		6,970
<b>Total return before distributions</b>			<b>190,143</b>		<b>54,163</b>
Distributions	8		(24,160)		(9,101)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>165,983</b>		<b>45,062</b>

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

for the year to 31 August		2025		2024	
		\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>			<b>369,381</b>		<b>227,185</b>
Amounts received on issue of shares		723,313		115,379	
Amounts paid on cancellation of shares		(97,090)		(23,178)	
			626,223		92,201
Dilution adjustments			1,102		288
Change in net assets attributable to shareholders from investment activities (see above)			165,983		45,062
Retained distributions on Accumulation shares			24,069		4,643
Unclaimed distributions			2		2
<b>Closing net assets attributable to shareholders</b>			<b>1,186,760</b>		<b>369,381</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 August	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		1,175,925	372,017
<b>Current assets</b>			
Debtors	9	14,390	2,312
Cash and bank balances	10	5,251	808
Cash equivalents		16,049	2,897
<b>Total assets</b>		<b>1,211,615</b>	<b>378,034</b>
<b>Liabilities</b>			
Investment liabilities		0	(5)
<b>Creditors</b>			
Bank overdrafts		0	(117)
Distribution payable		(9,527)	(5,550)
Other creditors	11	(12,288)	(1,764)
Deferred tax provision	7	(3,040)	(1,217)
<b>Total liabilities</b>		<b>(24,855)</b>	<b>(8,653)</b>
<b>Net assets attributable to shareholders</b>		<b>1,186,760</b>	<b>369,381</b>

# Financial statements and notes

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

The fund's functional and presentational currency is US dollars as this better reflects the currency of its primary economic environment.

### 2 Distribution policy

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

### 3 Net capital gains/(losses)

for the year to 31 August	2025 \$'000	2024 \$'000
Non-derivative securities	170,420	47,256
Derivative contracts	55	(5)
Currency gains/(losses)	(46)	(58)
<b>Net capital gains/(losses)</b>	<b>170,429</b>	<b>47,193</b>



# Financial statements and notes

## 4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 August	2025 \$'000	% of transaction	2024 \$'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	816,745		197,792	
Commissions	301	0.04	82	0.04
Taxes and other fees	390	0.05	108	0.05
<b>Equities after transaction costs</b>	<b>817,436</b>		<b>197,982</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	26,919		0	
Commissions	8	0.03	0	0.00
<b>Collective investment schemes after transaction costs</b>	<b>26,927</b>		<b>0</b>	
<b>Total purchases after transaction costs</b>	<b>844,363</b>		<b>197,982</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	184,388		100,402	
Commissions	(71)	0.04	(43)	0.04
Taxes and other fees	(168)	0.09	(96)	0.10
<b>Equities after transaction costs</b>	<b>184,149</b>		<b>100,263</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	26,575		0	
Commissions	(8)	0.03	0	0.00
<b>Collective investment schemes after transaction costs</b>	<b>26,567</b>		<b>0</b>	
<b>Total sales after transaction costs</b>	<b>210,716</b>		<b>100,263</b>	

# Financial statements and notes

	2025 \$'000	% of average NAV	2024 \$'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	372	0.06	125	0.04
Collective investment schemes	16	0.00	0	0.00
<b>Total commissions paid</b>	<b>388</b>	<b>0.06</b>	<b>125</b>	<b>0.04</b>
<b>Taxes and other fees paid</b>				
Equities	558	0.08	204	0.07
<b>Total direct portfolio transaction costs</b>	<b>946</b>	<b>0.14</b>	<b>329</b>	<b>0.11</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.22		0.25

## 5 Revenue

for the year to 31 August	2025 \$'000	2024 \$'000
Bank interest	33	7
Dividends from equity investments: non-taxable	27,393	10,252
Dividends from equity investments: taxable	470	47
Interest distributions	369	122
Property distribution: taxable	280	165
Rebate of ongoing charges from underlying funds	9	2
Stock dividends	240	112
<b>Total revenue</b>	<b>28,794</b>	<b>10,707</b>

## 6 Expenses

for the year to 31 August	2025 \$'000	2024 \$'000
<b>Payable to the ACD or associate</b>		
Annual charge	4,595	2,372
<b>Total expenses</b>	<b>4,595</b>	<b>2,372</b>

Audit fees for the financial year ending 2025 were £12,000 (2024: £12,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 August	2025 \$'000	2024 \$'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	1,961	646
Capital gains tax (India)	694	61
Deferred tax provision on capital gains tax (India) (note 7c)	1,823	655
<b>Total taxation</b>	<b>4,478</b>	<b>1,362</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	24,192	8,332
Corporation tax at 20%	4,838	1,666
<b>Effects of:</b>		
Revenue: non-taxable	(5,478)	(2,050)
Stock dividends: non-taxable	(48)	(22)
Current year expenses not utilised	697	411
Withholding tax	1,961	646
Withholding tax expensed	(9)	0
Capital gains tax (India)	2,517	716
Overseas tax expensed	0	(5)
<b>Total tax charge (note 7a)</b>	<b>4,478</b>	<b>1,362</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	1,217	562
Deferred tax in profit and loss account (note 7a)	1,823	655
<b>Provision at the end of the year</b>	<b>3,040</b>	<b>1,217</b>

The fund has not recognised a deferred tax asset of \$24,066,000 (2024: \$23,369,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

# Financial statements and notes

## 8 Distributions

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

for the year to 31 August	2025		2024	
	Inc	Acc	Inc	Acc
	\$'000	\$'000	\$'000	\$'000
<b>Dividend distributions</b>				
Final	9,527	24,069	5,550	4,643
Total net distributions		33,596		10,193
Income deducted on cancellation of shares		973		369
Income received on issue of shares		(10,409)		(1,461)
<b>Distributions</b>		<b>24,160</b>		<b>9,101</b>
Net revenue/(expense) per statement of total return		19,714		6,970
Expenses offset against capital		1,929		1,527
Stock dividends not distributed		0		(112)
Capital gains tax offset against capital		2,517		716
<b>Distributions</b>		<b>24,160</b>		<b>9,101</b>

## 9 Debtors

as at 31 August	2025	2024
	\$'000	\$'000
Amounts receivable on issues of shares	5,069	888
Currency deals outstanding	6,464	820
Distributions receivable	51	3
Dividends receivable	2,325	472
Sales awaiting settlement	481	129
<b>Total debtors</b>	<b>14,390</b>	<b>2,312</b>

## 10 Cash and bank balances

as at 31 August	2025	2024
	\$'000	\$'000
Cash held as bank balances	5,251	808
<b>Total cash and bank balances</b>	<b>5,251</b>	<b>808</b>

# Financial statements and notes

## 11 Other creditors

as at 31 August	2025 \$'000	2024 \$'000
Amounts payable on cancellation of shares	6	30
Annual charge payable	229	88
Currency deals outstanding	6,457	821
Purchases awaiting settlement	5,596	825
<b>Total other creditors</b>	<b>12,288</b>	<b>1,764</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

## 13 Shares in issue

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

Share class	Opening 01.09.24	Issued	Movements Cancelled	Converted	Closing 31.08.25
<b>Sterling</b>					
Class 'A' Income	7,249,780	76,164	(88,175)	0	7,237,769
Class 'A' Accumulation	414,746	65,117	(45,514)	0	434,349
Class 'I' Income	1,144,038	1,775,420	(395,780)	0	2,523,678
Class 'I' Accumulation	4,978,715	8,213,151	(1,723,472)	0	11,468,394
Class 'PP' Income	32,000	18,429,131	(8,219)	0	18,452,912
Class 'PP' Accumulation	29,243	215,901,318	(12,221,361)	0	203,709,200
Class 'R' Income	450,555	42,640	(87,351)	0	405,844
Class 'R' Accumulation	3,258,765	434,249	(583,930)	0	3,109,084

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

# Financial statements and notes

## 14 Charging structure

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

Share class	Annual charge %
<b>Sterling</b>	
Class 'A'	1.00
Class 'I'	0.60
Class 'PP'	Up to 0.95
Class 'R'	0.85

## 15 Related parties

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

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

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 2.70% (2024: 36.66%) of the fund's shares.

## 16 Fair value analysis

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

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

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

### Level 2: Valuation technique using observable market data

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

# Financial statements and notes

## Level 3: Valuation technique using unobservable inputs

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

as at 31 August	Assets 2025 \$'000	Liabilities 2025 \$'000	Assets 2024 \$'000	Liabilities 2024 \$'000
Basis of valuation				
Level 1	1,175,897	0	372,017	0
Level 2	28	0	0	(5)
Level 3	0	0	0	0
	<b>1,175,925</b>	<b>0</b>	<b>372,017</b>	<b>(5)</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

## 18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by \$58,796,000 (2024: \$18,601,000). A five per cent decrease would have an equal and opposite effect.

## 19 Currency risk sensitivity and exposure

A five per cent increase in the value of the fund's currency exposure would have the effect of increasing the return and net assets by \$53,247,000 (2024: \$16,624,000). A five per cent decrease would have an equal and opposite effect.

as at 31 August	2025 \$'000	2024 \$'000
Currency exposure		
Australian dollar	100,560	39,876
Canadian dollar	75	1,979
Chinese yuan	33,562	10,792
Euro	3	0
Hong Kong dollar	350,083	99,284
Indian rupee	129,487	32,765
Indonesian rupiah	51,271	14,538
Singapore dollar	83,940	36,026
South Korean won	127,854	47,156
Sterling	(8,172)	(4,993)
Taiwan dollar	151,872	40,763
Thailand baht	44,396	14,286
US dollar	121,829	36,909
<b>Total</b>	<b>1,186,760</b>	<b>369,381</b>

# Financial statements and notes

## 20 Interest rate risk sensitivity and exposure

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

## 21 Credit risk

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

## 22 Dividend distribution tables

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

### Annual distribution period

	Start	End	Xd	Payment
Final	01.09.24	31.08.25	01.09.25	31.10.25

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

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

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

### Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	34.1822	27.0608	61.2430	48.7077

### Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	46.5298	42.8012	89.3310	66.7064

### Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	35.8405	36.5795	72.4200	57.3420



# Financial statements and notes

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	41.6231	40.0261	81.6492	61.6497

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	0.9121	3.3562	4.2683	3.3763

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	2.2964	1.5820	3.8784	2.9254

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	4.7862	2.2927	7.0789	5.6219

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	3.7134	3.5601	7.2735	5.4519

# Financial statements and notes

## 23 Events after the balance sheet date

Between 31 August 2025 and 31 October 2025 the value of investments has risen. For further details on the share class movements, please refer to the below table:

Net asset	31.08.25	31.10.25	% Change
<b>Sterling</b>			
Class 'A' Income	1,864.35	2,116.47	13.52
Class 'A' Accumulation	3,859.28	4,380.20	13.50
Class 'I' Income	2,208.56	2,508.96	13.60
Class 'I' Accumulation	3,074.73	3,492.05	13.57
Class 'PP' Income	130.22	147.98	13.63
Class 'PP' Accumulation	141.04	160.21	13.59
Class 'R' Income	215.64	244.86	13.55
Class 'R' Accumulation	297.69	337.96	13.53

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2025 has been used.

## Sustainability improvers label

From 2 April 2025 this product adopted the 'Sustainability Improvers' label. For more information on the sustainability related features please visit the fund's main web page which is available on our website: [mandg.co.uk/literature](https://mandg.co.uk/literature)

## 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 weighted average carbon intensity against the

# Authorised Corporate Director’s Report

benchmark when constructing the portfolio, but the benchmark does not otherwise constrain portfolio construction.

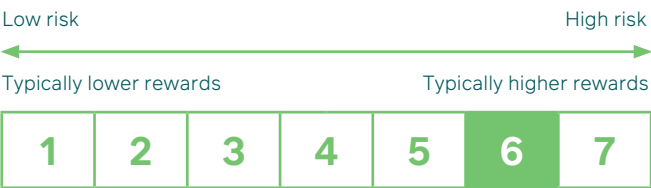
The fund is actively managed and within given constraints, the fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund’s holdings may deviate significantly from the benchmark’s constituents, and as a result the fund’s performance may deviate materially 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. For details of the risk management policies, please refer to pages 12 to 14.

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 year ended 31 August 2025

### Performance against objective

Between 1 September 2024 (the start of the review period) and 31 August 2025 the M&G European Sustain Paris Aligned Fund delivered a positive total return (the combination of income and growth of capital) across all of its sterling share classes, but underperformed its benchmark, the MSCI Europe ex UK Index, which returned 10.2% over the same period.

Over five years, the fund has outperformed its benchmark. The fund has therefore achieved its financial objective which is to provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the MSCI Europe ex UK Index over any five-year period. The index delivered an annualised return of 10.7% over this period.

With regards to the fund’s sustainable objective, we will report on this separately and publish this to our website. For more information on the fund’s sustainable objective and its sustainability metrics, please refer to the fund’s consumer-facing disclosure: [mandg.com/european-sustain-paris-aligned-fund](https://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

The performance of European equities was mixed in the period under review.

In the last four months of 2024, investor sentiment was dampened by worries about the region’s economic outlook, concerns about the impact of potential US trade tariffs and political uncertainty.

However, after this, European equities made gains. The sell-off in US tech stocks in January, triggered by Chinese start-up DeepSeek’s latest artificial intelligence (AI) model release, boosted eurozone markets. The prospect of fiscal stimulus in Germany and increased defence spending on the continent also helped buoy equities in the region.

# Authorised Corporate Director's Report

The start of the second quarter of 2025 brought substantial market turbulence. Markets declined sharply after US President Donald Trump announced 'reciprocal' tariffs in early April. They then gradually recovered as worries about a global trade war eased. Towards the end of the period under review, the EU-US trade deal and solid earnings results had a positive impact on markets in the region.

Stock selection in the industrials, healthcare, utilities, financials and consumer staples sectors proved particularly detrimental to relative performance. The fund's below-benchmark position in financials also dented relative performance. In contrast, stockpicking in technology boosted relative returns, as did the fund's below-benchmark position in healthcare and above-benchmark position in industrials.

Key detractors from relative performance included Novo Nordisk and Orsted. Novo Nordisk faced a number of issues during the period. In September, the pharma company's share price fell after it revealed that it was likely to have to enter into pricing discussions on Ozempic with the US Centers for Medicare & Medicaid Services. Novo Nordisk's share price was dented again in November, by underwhelming 2025 guidance and concerns that Trump's selection of Robert F Kennedy Jr (RFK) as US Health Secretary could have negative ramifications for the pharma industry.

The company's share price fell once more in December following disappointing data on its weight-loss medication CagriSema. Further disappointing data on CagriSema in March led to another decline in Novo Nordisk's share price.

In July, the pharma company's share price dropped sharply after it slashed its full-year guidance and announced a new CEO. The company now anticipates less growth for its diabetes and weight-loss medications (Ozempic and Wegovy). This is partly due to increased competition.

A number of factors dented Orsted's share price. In January, the company announced impairments amounting to US\$1.7 billion – largely a result of interest rates, the value of seabed leases and issues pertaining

to its Sunrise Wind project. Its share price woes were compounded by Trump's decision to temporarily halt offshore wind leases.

In April, Orsted's share price declined after Trump's administration instructed Equinor to stop development of an under-construction wind farm. Investors worried that Orsted's US developments could also be halted.

Finally, Orsted announced an unexpected rights issue in August, leading to a steep drop in its share price. Trump's hostile stance towards the offshore wind sector has deterred investors, making it difficult for Orsted to raise funds through the sale of stakes in projects.

The top contributors to relative performance were digital company Scout24 and Georgian financial institution Lion Finance.

## Investment activities

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

We also opened positions in semiconductor equipment manufacturer ASML, medical technology company Carl Zeiss Meditec and speciality chemical distributor IMCD.

We closed our position in Societe BIC.

## Outlook

From a global perspective, European equities still seem like good value. The political wake-up call of the past couple of years seems to be leading to a more resolute Europe. Economic and political complacency is slowly being replaced by a focus on growth, efficiency and spending. The political scene has been particularly challenging, and we find it impossible to even try to make sense of the many headlines. We have always been excited about the companies in which we invest, but fundamental investing can see more benchmark-related volatility when markets are driven by emotion and investors have to deal with both technological and political changes.

Short-term spending (in terms of political capital too) has unfortunately shifted from climate to defence.

# Authorised Corporate Director's Report

However, this makes our persistent engagement effort even more valuable. Value stocks have been a very strong driver of absolute returns in European markets this year; in contrast both quality and growth stocks have lagged materially. Our single stocks in both stable growth and opportunities have helped our relative performance.

We think it makes sense to implement a more cautious approach for the remainder of the year. This is simply because the market has bounced back, while one-to-three year global macro risk remains elevated. Furthermore, European exporters will face a short-term headwind to earnings from a weaker US dollar.

## John William Olsen

Fund manager

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

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

# Portfolio statement

## Investments

Holding	as at 31.08.25 €'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities</b>	<b>1,030,469</b>	<b>93.65</b>	<b>97.26</b>
<b>Banks</b>	<b>142,074</b>	<b>12.91</b>	<b>12.62</b>
8,453,711 AIB Group PLC	58,457	5.31	
829,786 FinecoBank Banca Fineco SpA	15,542	1.41	
1,766,282 ING Groep NV	35,767	3.25	
381,993 Lion Finance Group PLC	32,308	2.94	
<b>Chemicals</b>	<b>67,774</b>	<b>6.16</b>	<b>4.61</b>
406,353 Akzo Nobel NV	23,885	2.17	
260,906 IMCD NV	25,021	2.27	
45,739 Linde PLC	18,868	1.72	
<b>Consumer products and services</b>	<b>24,940</b>	<b>2.27</b>	<b>3.13</b>
208,089 Pandora AS	24,940	2.27	
<b>Energy</b>	<b>12,171</b>	<b>1.11</b>	<b>1.40</b>
708,389 Vestas Wind Systems AS	12,171	1.11	
<b>Food, beverage and tobacco</b>	<b>55,836</b>	<b>5.07</b>	<b>3.44</b>
372,854 Nestle SA	29,858	2.71	
263,792 Pernod Ricard SA	25,978	2.36	
<b>Health care</b>	<b>118,775</b>	<b>10.79</b>	<b>13.78</b>
1,364,657 ALK-Abello AS	36,638	3.33	
494,356 Carl Zeiss Meditec AG	21,336	1.94	
545,066 Fresenius Medical Care AG	23,634	2.15	
774,918 Novo Nordisk AS	37,167	3.37	
<b>Industrial goods and services</b>	<b>284,812</b>	<b>25.88</b>	<b>27.11</b>
550,170 ANDRITZ AG	33,615	3.05	
166,131 DSV AS	31,582	2.87	
1,343,239 ISS AS	33,508	3.04	
72,549 Kuehne & Nagel International AG	12,715	1.16	
354,185 Legrand SA	46,434	4.22	
3,179,974 Metso OYJ	35,187	3.20	
232,165 Schneider Electric SE	49,126	4.46	
178,730 Siemens AG	42,645	3.88	
<b>Insurance</b>	<b>49,692</b>	<b>4.52</b>	<b>4.86</b>
199,247 Hannover Rueck SE	49,692	4.52	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 €'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Media</b>	<b>76,375</b>	<b>6.94</b>	<b>7.28</b>
517,747 CTS Eventim AG & Co. KGaA	41,627	3.78	
1,422,929 Universal Music Group NV	34,748	3.16	
<b>Personal care, drug &amp; grocery stores</b>	<b>0</b>	<b>0.00</b>	<b>0.76</b>
<b>Retail</b>	<b>11,197</b>	<b>1.02</b>	<b>2.04</b>
1,399,235 WH Smith PLC	11,197	1.02	
<b>Technology</b>	<b>171,887</b>	<b>15.62</b>	<b>13.39</b>
501,666 Amadeus IT Group SA	36,100	3.28	
56,562 ASML Holding NV	36,861	3.35	
196,579 SAP SE	45,783	4.16	
483,994 Scout24 SE	53,143	4.83	
<b>Utilities</b>	<b>14,936</b>	<b>1.36</b>	<b>2.84</b>
565,506 Orsted AS	14,936	1.36	
<b>Total portfolio</b>	<b>1,030,469</b>	<b>93.65</b>	<b>97.26</b>
<b>Net other assets/(liabilities)</b>	<b>69,895</b>	<b>6.35</b>	<b>2.74</b>
<b>Net assets attributable to shareholders</b>	<b>1,100,364</b>	<b>100.00</b>	<b>100.00</b>

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

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



# Portfolio statement

## Top ten portfolio transactions for the year to 31 August 2025

Largest purchases	€'000
Pernod Ricard SA	34,225
ASML Holding NV	33,190
IMCD NV	28,741
Carl Zeiss Meditec AG	25,130
Novo Nordisk AS	8,335
Universal Music Group NV	7,359
CTS Eventim AG & Co. KGaA	4,400
Fresenius Medical Care AG	4,281
Hannover Rueck SE	4,204
Scout24 SE	3,913
Other purchases	52,246
<b>Total purchases</b>	<b>206,024</b>

Largest sales	€'000
SAP SE	27,214
Scout24 SE	23,053
AIB Group PLC	14,821
Legrand SA	13,423
ALK-Abello AS	10,981
DSV AS	9,928
Lion Finance Group PLC	9,608
FinecoBank Banca Fineco SpA	7,880
Societe BIC SA	7,425
Akzo Nobel NV	7,236
Other sales	56,740
<b>Total sales</b>	<b>188,309</b>

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

# Financial highlights

## Fund performance

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

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

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

## Long-term performance by share class

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

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+6.3	+14.7	+10.7	+9.4
Class 'A' Accumulation	+6.3	+14.7	+10.7	+9.4
Class 'I' Income	+6.7	+15.2	+11.2	+10.0
Class 'I' Accumulation	+6.7	+15.2	+11.2	+10.0
Class 'PP' Income	+6.8	+15.3	n/a	n/a
Class 'PP' Accumulation	+6.8	+15.3	n/a	n/a
Class 'R' Income	+6.4	+14.9	+10.9	+9.7
Class 'R' Accumulation	+6.4	+14.9	+10.9	+9.7
<b>Benchmark</b>	<b>+10.2</b>	<b>+13.9</b>	<b>+10.7</b>	<b>+9.1</b>

<sup>a</sup> Not annualised.

## Specific share class performance

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

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

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 29 September 1989.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	307.63	273.62	226.16
Return before operating charges*	22.28	43.67	55.37
Operating charges	(3.02)	(2.74)	(2.41)
Return after operating charges*	19.26	40.93	52.96
Distributions	(7.93)	(6.92)	(5.50)
Closing NAV	318.96	307.63	273.62
*after direct transaction cost of	0.10	0.31	0.04
<b>Performance</b>			
Return after charges (%)	6.26	14.96	23.42
<b>Other information</b>			
Closing NAV (€'000)	148,396	159,650	150,291
Number of shares	40,322,225	43,652,215	47,096,644
Operating charges (%)	0.95	0.95	0.95
Direct transaction costs (%)	0.03	0.11	0.02
<b>Prices</b>			
Highest share price (UK p)	347.79	316.99	280.47
Lowest share price (UK p)	278.56	252.95	211.66

## Sterling Class 'A' Accumulation shares

The share class was launched on 29 September 1989.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	736.37	640.43	518.70
Return before operating charges*	53.40	102.37	127.27
Operating charges	(7.25)	(6.43)	(5.54)
Return after operating charges*	46.15	95.94	121.73
Distributions	(11.86)	(9.83)	(7.08)
Retained distributions	11.86	9.83	7.08
Closing NAV	782.52	736.37	640.43
*after direct transaction cost of	0.24	0.72	0.09
<b>Performance</b>			
Return after charges (%)	6.27	14.98	23.47
<b>Other information</b>			
Closing NAV (€'000)	126,060	132,432	123,537
Number of shares	13,961,603	15,127,470	16,539,897
Operating charges (%)	0.95	0.95	0.95
Direct transaction costs (%)	0.03	0.11	0.02
<b>Prices</b>			
Highest share price (UK p)	836.26	744.70	644.80
Lowest share price (UK p)	669.81	592.05	485.62

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	2,510.62	2,224.10	1,830.93
Return before operating charges*	182.02	355.82	449.16
Operating charges	(14.30)	(12.94)	(11.37)
Return after operating charges*	167.72	342.88	437.79
Distributions	(64.86)	(56.36)	(44.62)
Closing NAV	2,613.48	2,510.62	2,224.10
*after direct transaction cost of	0.81	2.51	0.32
<b>Performance</b>			
Return after charges (%)	6.68	15.42	23.91
<b>Other information</b>			
Closing NAV (€'000)	36,559	35,280	30,200
Number of shares	1,212,346	1,182,016	1,164,276
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.03	0.11	0.02
<b>Prices</b>			
Highest share price (UK p)	2,848.68	2,584.11	2,279.15
Lowest share price (UK p)	2,278.88	2,057.35	1,714.16

## Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	3,348.33	2,900.51	2,339.81
Return before operating charges*	243.19	464.75	575.17
Operating charges	(19.13)	(16.93)	(14.47)
Return after operating charges*	224.06	447.82	560.70
Distributions	(67.87)	(56.86)	(42.55)
Retained distributions	67.87	56.86	42.55
Closing NAV	3,572.39	3,348.33	2,900.51
*after direct transaction cost of	1.09	3.28	0.41
<b>Performance</b>			
Return after charges (%)	6.69	15.44	23.96
<b>Other information</b>			
Closing NAV (€'000)	161,535	111,421	79,801
Number of shares	3,918,864	2,799,037	2,359,075
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.03	0.11	0.02
<b>Prices</b>			
Highest share price (UK p)	3,816.39	3,382.54	2,919.57
Lowest share price (UK p)	3,053.01	2,683.04	2,191.38

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 2 September 2021.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	115.56	102.27	84.10
Return before operating charges*	8.38	16.37	20.66
Operating charges	(0.54)	(0.49)	(0.44)
Return after operating charges*	7.84	15.88	20.22
Distributions	(2.99)	(2.59)	(2.05)
Closing NAV	120.41	115.56	102.27
*after direct transaction cost of	0.04	0.12	0.02
<b>Performance</b>			
Return after charges (%)	6.78	15.53	24.04
<b>Other information</b>			
Closing NAV (€'000)	4,464	2,687	1,389
Number of shares	3,212,829	1,955,948	1,164,882
Operating charges (%)	0.45	0.45	0.45
Direct transaction costs (%)	0.03	0.11	0.02
<b>Prices</b>			
Highest share price (UK p)	131.24	118.91	104.79
Lowest share price (UK p)	104.95	94.62	78.74

## Sterling Class 'PP' Accumulation shares

The share class was launched on 2 September 2021.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	123.30	106.70	85.99
Return before operating charges*	8.96	17.11	21.15
Operating charges	(0.58)	(0.51)	(0.44)
Return after operating charges*	8.38	16.60	20.71
Distributions	(2.63)	(2.21)	(1.66)
Retained distributions	2.63	2.21	1.66
Closing NAV	131.68	123.30	106.70
*after direct transaction cost of	0.04	0.12	0.02
<b>Performance</b>			
Return after charges (%)	6.80	15.56	24.08
<b>Other information</b>			
Closing NAV (€'000)	592,141	552,355	1,059
Number of shares	389,708,205	376,799,368	851,236
Operating charges (%)	0.45	0.45	0.45
Direct transaction costs (%)	0.03	0.11	0.02
<b>Prices</b>			
Highest share price (UK p)	140.67	124.53	107.40
Lowest share price (UK p)	112.50	98.72	80.55

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	243.06	215.86	178.15
Return before operating charges*	17.60	34.48	43.64
Operating charges	(2.01)	(1.82)	(1.60)
Return after operating charges*	15.59	32.66	42.04
Distributions	(6.27)	(5.46)	(4.33)
Closing NAV	252.38	243.06	215.86
*after direct transaction cost of	0.08	0.24	0.03
<b>Performance</b>			
Return after charges (%)	6.41	15.13	23.60
<b>Other information</b>			
Closing NAV (€'000)	5,082	5,246	4,741
Number of shares	1,745,115	1,815,489	1,883,172
Operating charges (%)	0.80	0.80	0.80
Direct transaction costs (%)	0.03	0.11	0.02
<b>Prices</b>			
Highest share price (UK p)	275.16	250.34	221.24
Lowest share price (UK p)	220.29	199.60	166.75

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	324.61	281.90	227.97
Return before operating charges*	23.55	45.10	55.99
Operating charges	(2.69)	(2.39)	(2.06)
Return after operating charges*	20.86	42.71	53.93
Distributions	(5.74)	(4.77)	(3.50)
Retained distributions	5.74	4.77	3.50
Closing NAV	345.47	324.61	281.90
*after direct transaction cost of	0.11	0.32	0.04
<b>Performance</b>			
Return after charges (%)	6.43	15.15	23.66
<b>Other information</b>			
Closing NAV (€'000)	26,127	28,388	25,407
Number of shares	6,554,471	7,356,083	7,728,268
Operating charges (%)	0.80	0.80	0.80
Direct transaction costs (%)	0.03	0.11	0.02
<b>Prices</b>			
Highest share price (UK p)	369.15	328.15	283.79
Lowest share price (UK p)	295.53	260.66	213.46

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 August		2025		2024	
	Note	€'000	€'000	€'000	€'000
<b>Income</b>					
Net capital gains/(losses)	3		13,291		155,341
Revenue	5	28,127		25,349	
Expenses	6	(6,339)		(6,004)	
Interest payable and similar charges		0		0	
Net revenue/(expense) before taxation		21,788		19,345	
Taxation	7	(2,590)		(1,247)	
Net revenue/(expense) after taxation			19,198		18,098
<b>Total return before distributions</b>			<b>32,489</b>		<b>173,439</b>
Distributions	8		(20,943)		(19,792)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>11,546</b>		<b>153,647</b>

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

for the year to 31 August		2025		2024	
		€'000	€'000	€'000	€'000
<b>Opening net assets attributable to shareholders</b>			<b>1,027,459</b>		<b>416,425</b>
Amounts received on issue of shares		208,355		619,394	
Amounts paid on cancellation of shares		(164,211)		(177,447)	
			44,144		441,947
Dilution adjustments			155		1,361
Change in net assets attributable to shareholders from investment activities (see above)			11,546		153,647
Retained distributions on Accumulation shares			17,037		14,061
Unclaimed distributions			23		18
<b>Closing net assets attributable to shareholders</b>			<b>1,100,364</b>		<b>1,027,459</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 August	Note	2025 €'000	2024 €'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		1,030,469	999,267
<b>Current assets</b>			
Debtors	9	5,644	3,993
Cash and bank balances	10	18,437	818
Cash equivalents		51,041	29,006
<b>Total assets</b>		<b>1,105,591</b>	<b>1,033,084</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(3,953)	(3,831)
Other creditors	11	(1,274)	(1,794)
<b>Total liabilities</b>		<b>(5,227)</b>	<b>(5,625)</b>
<b>Net assets attributable to shareholders</b>		<b>1,100,364</b>	<b>1,027,459</b>



# Financial statements and notes

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

The fund's functional and presentational currency is the euro as this better reflects the currency of its primary economic environment.

### 2 Distribution policy

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

### 3 Net capital gains/(losses)

for the year to 31 August	2025 €'000	2024 €'000
Non-derivative securities	13,305	155,457
Currency gains/(losses)	(41)	(70)
Reimbursement paid to M&G	0	(64)
Rebate of ongoing charges from underlying funds taken to capital	27	18
<b>Net capital gains/(losses)</b>	<b>13,291</b>	<b>155,341</b>

# Financial statements and notes

## 4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 August	2025 €'000	% of transaction	2024 €'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	205,767		643,022	
Commissions	63	0.03	210	0.03
Taxes and other fees	194	0.09	762	0.12
<b>Total purchases after transaction costs</b>	<b>206,024</b>		<b>643,994</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	188,372		211,449	
Commissions	(63)	0.03	(63)	0.03
<b>Total sales after transaction costs</b>	<b>188,309</b>		<b>211,386</b>	
	2025 €'000	% of average NAV	2024 €'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	126	0.01	273	0.03
<b>Taxes and other fees paid</b>				
Equities	194	0.02	762	0.08
<b>Total direct portfolio transaction costs</b>	<b>320</b>	<b>0.03</b>	<b>1,035</b>	<b>0.11</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.08		0.06

## 5 Revenue

for the year to 31 August	2025 €'000	2024 €'000
Bank interest	24	64
Dividends from equity investments: non-taxable	26,818	24,194
Dividends from equity investments: taxable	100	245
Interest distributions	1,185	846
<b>Total revenue</b>	<b>28,127</b>	<b>25,349</b>

# Financial statements and notes

## 6 Expenses

for the year to 31 August	2025 €'000	2024 €'000
<b>Payable to the ACD or associate</b>		
Annual charge	6,339	6,004
<b>Total expenses</b>	<b>6,339</b>	<b>6,004</b>

Audit fees for the financial year ending 2025 were £12,000 (2024: £12,000) (including VAT), which are covered by the annual charge.

## 7 Taxation

for the year to 31 August	2025 €'000	2024 €'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	2,590	1,247
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>2,590</b>	<b>1,247</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	21,788	19,345
Corporation tax at 20%	4,358	3,869
<b>Effects of:</b>		
Revenue: non-taxable	(5,364)	(4,839)
Expenses not deductible for tax purposes	5	4
Current year expenses not utilised	1,001	966
Withholding tax	2,590	1,247
<b>Total tax charge (note 7a)</b>	<b>2,590</b>	<b>1,247</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset of €11,329,000 (2024: €10,328,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

# Financial statements and notes

## 8 Distributions

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

for the year to 31 August	2025		2024	
	Inc	Acc	Inc	Acc
Dividend distributions	€'000	€'000	€'000	€'000
Interim	952	1,517	738	1,085
Final	3,953	15,520	3,831	12,976
Total net distributions		21,942		18,630
Income deducted on cancellation of shares		480		1,793
Income received on issue of shares		(1,479)		(631)
<b>Distributions</b>		<b>20,943</b>		<b>19,792</b>
Net revenue/(expense) per statement of total return		19,198		18,098
Expenses offset against capital		1,745		1,694
<b>Distributions</b>		<b>20,943</b>		<b>19,792</b>

## 9 Debtors

as at 31 August	2025	2024
	€'000	€'000
Amounts receivable on issues of shares	735	222
Currency deals outstanding	414	474
Dividends receivable	1,042	0
Rebate of ongoing charges from underlying funds	1	1
Withholding tax recoverable	3,452	3,296
<b>Total debtors</b>	<b>5,644</b>	<b>3,993</b>

## 10 Cash and bank balances

as at 31 August	2025	2024
	€'000	€'000
Cash held as bank balances	18,437	818
<b>Total cash and bank balances</b>	<b>18,437</b>	<b>818</b>

## 11 Other creditors

as at 31 August	2025	2024
	€'000	€'000
Amounts payable on cancellation of shares	655	1,132
Annual charge payable	204	188
Currency deals outstanding	415	474
<b>Total other creditors</b>	<b>1,274</b>	<b>1,794</b>

# Financial statements and notes

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

## 13 Shares in issue

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

Share class	Opening 01.09.24	Issued	Movements Cancelled	Converted	Closing 31.08.25
<b>Sterling</b>					
Class 'A' Income	43,652,215	903,689	(4,233,679)	0	40,322,225
Class 'A' Accumulation	15,127,470	262,740	(1,428,607)	0	13,961,603
Class 'I' Income	1,182,016	232,001	(201,671)	0	1,212,346
Class 'I' Accumulation	2,799,037	2,382,878	(1,263,051)	0	3,918,864
Class 'PP' Income	1,955,948	2,158,131	(901,250)	0	3,212,829
Class 'PP' Accumulation	376,799,368	62,313,837	(49,405,000)	0	389,708,205
Class 'R' Income	1,815,489	171,562	(241,936)	0	1,745,115
Class 'R' Accumulation	7,356,083	391,268	(1,192,880)	0	6,554,471

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

## 14 Charging structure

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

Share class	Annual charge %
<b>Sterling</b>	
Class 'A'	0.95
Class 'I'	0.55
Class 'PP'	Up to 0.70
Class 'R'	0.80

## 15 Related parties

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

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

# Financial statements and notes

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 83.49% (2024: 84.51%) of the fund's shares.

## 16 Fair value analysis

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

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

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

### Level 2: Valuation technique using observable market data

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

### Level 3: Valuation technique using unobservable inputs

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

as at 31 August	Assets 2025 €'000	Liabilities 2025 €'000	Assets 2024 €'000	Liabilities 2024 €'000
Basis of valuation				
Level 1	1,030,469	0	999,267	0
Level 2	0	0	0	0
Level 3	0	0	0	0
	<b>1,030,469</b>	<b>0</b>	<b>999,267</b>	<b>0</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

## 18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by €51,523,000 (2024: €49,963,000). A five per cent decrease would have an equal and opposite effect.

# Financial statements and notes

## 19 Currency risk sensitivity and exposure

A five per cent increase in the value of the fund's currency exposure would have the effect of increasing the return and net assets by €14,710,000 (2024: €19,031,000). A five per cent decrease would have an equal and opposite effect.

as at 31 August	2025 €'000	2024 €'000
<b>Currency exposure</b>		
Danish krone	191,571	256,697
Euro	806,167	646,833
Sterling	40,043	41,351
Swiss franc	43,657	63,485
US dollar	18,926	19,093
<b>Total</b>	<b>1,100,364</b>	<b>1,027,459</b>

## 20 Interest rate risk sensitivity and exposure

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

## 21 Credit risk

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

## 22 Dividend distribution tables

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

### Semi-annual distribution periods

	Start	End	Xd	Payment
Interim	01.09.24	28.02.25	03.03.25	30.04.25
Final	01.03.25	31.08.25	01.09.25	31.10.25

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

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

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

# Financial statements and notes

## Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	0.7770	0.6668	1.4438	1.1070
Final	3.6496	2.8342	6.4838	5.8106

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	0.0316	0.0000	0.0316	0.0000
Final	6.8126	5.0184	11.8310	9.8275

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	5.2310	6.5635	11.7945	9.0055
Final	13.3220	39.7404	53.0624	47.3592

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	3.6214	3.0856	6.7070	3.7478
Final	26.1772	34.9850	61.1622	53.1144

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	0.3944	0.1486	0.5430	0.4142
Final	1.4279	1.0161	2.4440	2.1791



# Financial statements and notes

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	Distribution 2025 UK p	2024 UK p
Interim	0.1693	0.1370	0.3063	0.1913
Final	1.0479	1.2725	2.3204	2.0147

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	Distribution 2025 UK p	2024 UK p
Interim	0.5557	0.5854	1.1411	0.8736
Final	3.1143	2.0138	5.1281	4.5886

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	Distribution 2025 UK p	2024 UK p
Interim	0.1238	0.1287	0.2525	0.0112
Final	2.2684	3.2142	5.4826	4.7619

## 23 Events after the balance sheet date

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

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2025 has been used.

## Sustainability improvers label

From 2 April 2025 this product adopted the 'Sustainability Improvers' label. For more information on the sustainability related features please visit the fund's main web page which is available on our website: [mandg.co.uk/literature](https://mandg.co.uk/literature)

## Investment objective

The fund aims to:

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

# Authorised Corporate Director’s Report

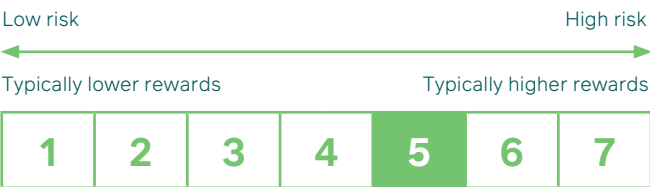
The fund is actively managed and within given constraints, the fund manager has freedom in choosing which investments to buy, hold and sell in the fund. The fund’s holdings may deviate significantly from the benchmark’s constituents, and as a result the fund’s performance may deviate materially from 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. For details of the risk management policies, please refer to pages 12 to 14.

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 year ended 31 August 2025

**Performance against objective**

Between 1 September 2024 (the start of the review period) and 31 August 2025 the M&G Global Sustain Paris Aligned Fund delivered a positive total return (the

combination of income and growth of capital) across all of its sterling share classes, but underperformed its benchmark, the MSCI World Index, which returned 13.0% over the same period.

Over five years, the fund has underperformed its benchmark. It therefore has not met 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. The benchmark returned 13.2% pa over this period.

With regards to the fund’s sustainable objective, we will report on this separately and publish this to our website. For more information on the fund’s sustainable objective and its sustainability metrics, please refer to the fund’s consumer-facing disclosure: [mandg.com/global-sustain-paris-aligned-fund](https://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**

The performance of global equities was mixed in the period under review.

At the beginning of the period, US equities mostly made gains, boosted by a significant rate cut from the US Federal Reserve (Fed), Donald Trump’s victory in the elections, solid economic data and excitement about artificial intelligence (AI). The Japanese stock market rose, helped by a weakening yen. In contrast, Chinese and European equities fell.

In a reversal of fortune, during the first few months of 2025, US equities declined on the back of new tariff measures and growing concerns about the valuations of big technology firms. Notably, the so-called ‘Magnificent Seven’ mega-cap US tech stocks suffered considerable losses. In contrast, European equities made solid gains during the quarter, with the prospect of fiscal stimulus in Germany and increased defence spending on the continent buoying the region’s markets.

# Authorised Corporate Director's Report

After this, global equities generally performed well, boosted by better-than-expected economic data, easing trade tensions, solid earnings results, investor enthusiasm for AI-related stocks and the prospect of US interest rate cuts.

Stock selection in the healthcare and technology sectors had a particularly detrimental impact on relative performance. Though to a lesser extent, stockpicking in utilities also dented relative returns. In contrast, the fund's above-benchmark position in financials boosted relative performance, as did stock selection in industrials.

Key detractors from relative performance included Novo Nordisk and UnitedHealth.

Novo Nordisk faced a number of issues during the period. In September, the pharma company's share price fell after it revealed that it was likely to have to enter into pricing discussions on Ozempic with the US Centers for Medicare & Medicaid Services. Novo Nordisk's share price was dented again in November by underwhelming 2025 guidance and concerns that US President Trump's selection of Robert F Kennedy Jr (RFK) as US Health Secretary could have negative ramifications for the pharma industry.

The company's share price fell once more in December following disappointing data on its weight-loss medication CagriSema. Further disappointing data on CagriSema in March led to another decline in Novo Nordisk's share price.

In July, the pharma company's share price dropped sharply after it slashed its full-year guidance and announced a new CEO. The company now anticipates less growth for its diabetes and weight-loss medications (Ozempic and Wegovy). This is partly due to increased competition.

UnitedHealth was also afflicted by a number of issues during the period. In December, its share price declined after the murder of one of its executives, Brian Thompson. In the aftermath of the killing, the US healthcare system was heavily criticised online. Investors worried that this could have negative

implications for the health insurance industry. In February, UnitedHealth's share price was adversely affected by claims that the company could be exaggerating its profits. Later in the month, UnitedHealth's share price fell again on reports that the US Department of Justice was conducting an investigation into the insurer's Medicare billing practices.

In April, UnitedHealth's share price dropped after it released disappointing quarterly results and lowered its full-year guidance. Its share price then declined again in May after the resignation of its CEO and the suspension of its guidance announcement.

The top contributors to relative performance were Discover Financial Services (which merged with Capital One later in the period) and eBay. Discover Financial Services' share price rose in November on the back of investor belief that its merger with Capital One would be more likely to obtain regulatory approval under a Trump administration. In January, Discover Financial Services' fourth-quarter results impressed investors, leading to another increase in its share price. US regulators approved Capital One's merger with Discover Financial Services in April, boosting the share price.

eBay's share price rose steeply in July after it released impressive quarterly results and issued solid guidance.

## Investment activities

During the period, we closed our positions in Kuehne & Nagel International, Graco and SolarEdge. SolarEdge's financial position has been dented by a confluence of factors, including the withdrawal of supportive policies in the US and high interest rates.

We also opened a position in semiconductor equipment manufacturer ASML.

Synopsys completed its acquisition of Ansys in July. Under the terms of the corporate action, Ansys's shares were removed (de-listed) in return for cash and Synopsys shares.

## Outlook

A few stocks have had a detrimental impact on performance so far this year. 'Quality' stocks have

# Authorised Corporate Director's Report

underperformed while the traditional 'value' approach has worked particularly well this year in Europe. The balanced nature of the fund (between growth and value) has helped our relative performance. However, the 'quality' aspect of the fund has proved a drag.

The addition of ASML to the portfolio should further diversify the fund, given our general lack of exposure to the chip sector. We are going into the next part of the year with a slight defensive bias, partly due to the quality of our companies and partly due to the margin of safety (the difference between the current share price and what we believe to be the intrinsic value of the company) that we believe exists for some of our larger holdings after recent underperformance. Markets have rebounded but political and macro risks remain elevated. The climate movement has become riddled with challenges, only highlighting the importance of our engagement effort. The only effect these challenges will have on the fundamental performance of our holdings will come through our small direct exposure to renewables.

From a global perspective, European equities still seem like good value. The political wake-up call of the past couple of years seems to be leading to a more resolute Europe. Economic and political complacency is slowly being replaced by a focus on growth, efficiency and spending. The political scene has been particularly challenging, and we find it impossible to even try to make sense of the many headlines. We have always been excited about the companies in which we invest, but fundamental investing can see more benchmark-related volatility when markets are driven by emotion and investors have to deal with both technological and political changes.

## John William Olsen

Fund manager

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

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

# Portfolio statement

## Investments

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities</b>	<b>923,087</b>	<b>98.37</b>	<b>98.79</b>
<b>Banks</b>	<b>52,446</b>	<b>5.59</b>	<b>7.66</b>
2,848,054 HDFC Bank Ltd.	30,772	3.28	
917,369 ING Groep NV	21,674	2.31	
<b>Chemicals</b>	<b>22,429</b>	<b>2.39</b>	<b>2.39</b>
46,601 Linde PLC	22,429	2.39	
<b>Consumer products and services</b>	<b>33,106</b>	<b>3.53</b>	<b>2.60</b>
357,062 eBay, Inc.	33,106	3.53	
<b>Energy</b>	<b>0</b>	<b>0.00</b>	<b>0.39</b>
<b>Financial services</b>	<b>45,263</b>	<b>4.82</b>	<b>4.24</b>
250,227 Bank of New York Mellon Corp.	26,507	2.82	
72,115 Morningstar, Inc.	18,756	2.00	
<b>Food, beverage and tobacco</b>	<b>14,763</b>	<b>1.57</b>	<b>1.84</b>
158,010 Nestle SA	14,763	1.57	
<b>Health care</b>	<b>82,952</b>	<b>8.84</b>	<b>14.49</b>
126,218 Becton Dickinson & Co.	24,111	2.57	
486,568 Novo Nordisk AS	27,228	2.90	
104,957 UnitedHealth Group, Inc.	31,613	3.37	
<b>Industrial goods and services</b>	<b>296,266</b>	<b>31.57</b>	<b>27.09</b>
142,984 American Express Co.	46,566	4.96	
289,449 Ball Corp.	15,026	1.60	
172,811 Capital One Financial Corp.	39,123	4.17	
557,628 ISS AS	16,230	1.73	
349,345 Johnson Controls International PLC	37,834	4.03	
177,033 Schneider Electric SE	43,707	4.66	
113,025 Siemens AG	31,465	3.35	
118,834 Visa, Inc.	41,505	4.42	
740,723 Weir Group PLC	24,810	2.65	
<b>Insurance</b>	<b>46,382</b>	<b>4.94</b>	<b>4.43</b>
1,073,900 Tokio Marine Holdings, Inc.	46,382	4.94	
<b>Personal care, drug and grocery stores</b>	<b>44,984</b>	<b>4.80</b>	<b>4.76</b>
150,879 Reckitt Benckiser Group PLC	11,232	1.20	
539,856 Unilever PLC	33,752	3.60	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Retail</b>	<b>15,166</b>	<b>1.62</b>	<b>3.01</b>
1,624,425 WH Smith PLC	15,166	1.62	
<b>Technology</b>	<b>259,953</b>	<b>27.70</b>	<b>23.94</b>
50,036 Adobe, Inc.	17,555	1.87	
296,408 Alphabet, Inc.	61,994	6.61	
27,644 ASML Holding NV	21,020	2.24	
102,485 Manhattan Associates, Inc.	22,301	2.38	
164,776 Microsoft Corp.	83,698	8.92	
49,329 Synopsys, Inc.	30,057	3.20	
304,200 Tencent Holdings Ltd.	23,328	2.48	
<b>Utilities</b>	<b>9,377</b>	<b>1.00</b>	<b>1.95</b>
304,278 Orsted AS	9,377	1.00	
<b>Total portfolio</b>	<b>923,087</b>	<b>98.37</b>	<b>98.79</b>
<b>Net other assets/(liabilities)</b>	<b>15,319</b>	<b>1.63</b>	<b>1.21</b>
<b>Net assets attributable to shareholders</b>	<b>938,406</b>	<b>100.00</b>	<b>100.00</b>

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

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

# Portfolio statement

## Top ten portfolio transactions for the year to 31 August 2025

Largest purchases	\$'000
Ansys, Inc.	21,473
ASML Holding NV	18,074
Synopsys, Inc.	10,096
Novo Nordisk AS	6,533
UnitedHealth Group, Inc.	6,419
Becton Dickinson & Co.	5,694
HDFC Bank Ltd.	3,686
Microsoft Corp.	3,385
Alphabet, Inc.	2,506
Schneider Electric SE	2,064
Other purchases	24,664
<b>Total purchases</b>	<b>104,594</b>

Largest sales	\$'000
Ansys, Inc.	37,260
Graco, Inc.	16,470
Kuehne & Nagel International AG	14,003
Manhattan Associates, Inc.	9,996
Siemens AG	7,554
eBay, Inc.	7,244
Microsoft Corp.	6,438
Capital One Financial Corp.	5,378
Johnson Controls International PLC	5,322
Alphabet, Inc.	4,563
Other sales	58,143
<b>Total sales</b>	<b>172,371</b>

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



# Financial highlights

## Fund performance

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

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

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

## Long-term performance by share class

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

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+2.7	+8.5	+10.6	+11.3
Class 'A' Accumulation	+2.7	+8.5	+10.6	+11.3
Class 'I' Income	+3.1	+8.9	+11.0	+11.9
Class 'I' Accumulation	+3.1	+8.9	+11.0	+11.9
Class 'PP' Income	+3.2	+9.1	n/a	n/a
Class 'PP' Accumulation	+3.2	+9.1	n/a	n/a
Class 'R' Income	+2.9	+8.6	+10.8	+11.7
Class 'R' Accumulation	+2.9	+8.6	+10.8	+11.7
<b>Benchmark</b>	<b>+13.0</b>	<b>+13.3</b>	<b>+13.2</b>	<b>+13.6</b>

<sup>a</sup> Not annualised.

## Specific share class performance

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

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

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 19 December 1967.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	699.69	619.15	580.61
Return before operating charges*	26.84	97.99	55.99
Operating charges	(7.73)	(7.53)	(7.73)
Return after operating charges*	19.11	90.46	48.26
Distributions	(10.36)	(9.92)	(9.72)
Closing NAV	708.44	699.69	619.15
*after direct transaction cost of	0.07	0.13	0.08
<b>Performance</b>			
Return after charges (%)	2.73	14.61	8.31
<b>Other information</b>			
Closing NAV (\$'000)	291,040	296,827	302,554
Number of shares	30,504,740	32,205,189	38,538,165
Operating charges (%)	1.10	1.14	1.30
Direct transaction costs (%)	0.01	0.02	0.01
<b>Prices</b>			
Highest share price (UK p)	749.60	719.63	633.28
Lowest share price (UK p)	611.84	597.31	548.24

## Sterling Class 'A' Accumulation shares

The share class was launched on 19 December 1967.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	1,529.77	1,334.74	1,232.03
Return before operating charges*	58.71	211.42	119.12
Operating charges	(16.89)	(16.39)	(16.41)
Return after operating charges*	41.82	195.03	102.71
Distributions	(6.30)	(5.70)	(4.87)
Retained distributions	6.30	5.70	4.87
Closing NAV	1,571.59	1,529.77	1,334.74
*after direct transaction cost of	0.15	0.27	0.18
<b>Performance</b>			
Return after charges (%)	2.73	14.61	8.34
<b>Other information</b>			
Closing NAV (\$'000)	173,494	183,992	153,612
Number of shares	8,197,269	9,130,687	9,076,347
Operating charges (%)	1.10	1.14	1.30
Direct transaction costs (%)	0.01	0.02	0.01
<b>Prices</b>			
Highest share price (UK p)	1,638.92	1,551.35	1,344.12
Lowest share price (UK p)	1,337.71	1,287.65	1,163.62

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	3,492.73	3,078.27	2,875.10
Return before operating charges*	134.34	488.52	278.00
Operating charges	(24.59)	(24.62)	(26.61)
Return after operating charges*	109.75	463.90	251.39
Distributions	(51.83)	(49.44)	(48.22)
Closing NAV	3,550.65	3,492.73	3,078.27
*after direct transaction cost of	0.33	0.63	0.42
<b>Performance</b>			
Return after charges (%)	3.14	15.07	8.74
<b>Other information</b>			
Closing NAV (\$'000)	53,922	68,601	55,827
Number of shares	1,127,671	1,491,071	1,430,255
Operating charges (%)	0.70	0.74	0.90
Direct transaction costs (%)	0.01	0.02	0.01
<b>Prices</b>			
Highest share price (UK p)	3,747.87	3,590.99	3,146.97
Lowest share price (UK p)	3,061.54	2,971.50	2,715.77

## Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	4,132.58	3,591.34	3,301.78
Return before operating charges*	159.08	569.92	319.87
Operating charges	(29.10)	(28.68)	(30.31)
Return after operating charges*	129.98	541.24	289.56
Distributions	(33.19)	(30.20)	(26.10)
Retained distributions	33.19	30.20	26.10
Closing NAV	4,262.56	4,132.58	3,591.34
*after direct transaction cost of	0.39	0.73	0.48
<b>Performance</b>			
Return after charges (%)	3.15	15.07	8.77
<b>Other information</b>			
Closing NAV (\$'000)	312,674	343,339	242,313
Number of shares	5,446,846	6,307,167	5,321,094
Operating charges (%)	0.70	0.74	0.90
Direct transaction costs (%)	0.01	0.02	0.01
<b>Prices</b>			
Highest share price (UK p)	4,434.56	4,189.50	3,614.87
Lowest share price (UK p)	3,622.47	3,466.75	3,119.55

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 2 September 2021.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	121.64	107.06	99.70
Return before operating charges*	4.68	17.01	9.65
Operating charges	(0.73)	(0.71)	(0.62)
Return after operating charges*	3.95	16.30	9.03
Distributions	(1.81)	(1.72)	(1.67)
Closing NAV	123.78	121.64	107.06
*after direct transaction cost of	0.01	0.02	0.01
<b>Performance</b>			
Return after charges (%)	3.25	15.23	9.06
<b>Other information</b>			
Closing NAV (\$'000)	20,147	18,873	76
Number of shares	12,086,072	11,778,438	56,086
Operating charges (%)	0.60	0.60	0.60
Direct transaction costs (%)	0.01	0.02	0.01
<b>Prices</b>			
Highest share price (UK p)	130.58	125.05	109.41
Lowest share price (UK p)	106.69	103.39	94.20

## Sterling Class 'PP' Accumulation shares

The share class was launched on 2 September 2021.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	127.11	110.30	101.10
Return before operating charges*	4.89	17.55	9.85
Operating charges	(0.77)	(0.74)	(0.65)
Return after operating charges*	4.12	16.81	9.20
Distributions	(1.14)	(1.09)	(1.10)
Retained distributions	1.14	1.09	1.10
Closing NAV	131.23	127.11	110.30
*after direct transaction cost of	0.01	0.02	0.02
<b>Performance</b>			
Return after charges (%)	3.24	15.24	9.10
<b>Other information</b>			
Closing NAV (\$'000)	59,991	20,402	1,258
Number of shares	33,944,192	12,185,179	899,486
Operating charges (%)	0.60	0.60	0.60
Direct transaction costs (%)	0.01	0.02	0.01
<b>Prices</b>			
Highest share price (UK p)	136.45	128.85	110.98
Lowest share price (UK p)	111.48	106.52	95.55

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	342.30	302.44	283.20
Return before operating charges*	13.15	47.94	27.32
Operating charges	(3.27)	(3.23)	(3.34)
Return after operating charges*	9.88	44.71	23.98
Distributions	(5.07)	(4.85)	(4.74)
Closing NAV	347.11	342.30	302.44
*after direct transaction cost of	0.03	0.06	0.04
<b>Performance</b>			
Return after charges (%)	2.89	14.78	8.47
<b>Other information</b>			
Closing NAV (\$'000)	4,167	4,619	4,263
Number of shares	891,404	1,024,371	1,111,682
Operating charges (%)	0.95	0.99	1.15
Direct transaction costs (%)	0.01	0.02	0.01
<b>Prices</b>			
Highest share price (UK p)	366.94	352.01	309.29
Lowest share price (UK p)	299.59	291.84	267.44

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	400.90	349.27	321.91
Return before operating charges*	15.41	55.36	31.15
Operating charges	(3.83)	(3.73)	(3.79)
Return after operating charges*	11.58	51.63	27.36
Distributions	(2.24)	(2.03)	(1.75)
Retained distributions	2.24	2.03	1.75
Closing NAV	412.48	400.90	349.27
*after direct transaction cost of	0.04	0.07	0.05
<b>Performance</b>			
Return after charges (%)	2.89	14.78	8.50
<b>Other information</b>			
Closing NAV (\$'000)	22,971	24,006	21,602
Number of shares	4,135,284	4,545,823	4,877,719
Operating charges (%)	0.95	0.99	1.15
Direct transaction costs (%)	0.01	0.02	0.01
<b>Prices</b>			
Highest share price (UK p)	429.76	406.51	351.66
Lowest share price (UK p)	350.89	337.02	304.07

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 August		2025		2024	
	Note	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Net capital gains/(losses)	3		41,736		149,701
Revenue	5	15,735		14,606	
Expenses	6	(8,374)		(8,208)	
Interest payable and similar charges		(3)		(1)	
Net revenue/(expense) before taxation		7,358		6,397	
Taxation	7	(2,158)		(1,481)	
Net revenue/(expense) after taxation			5,200		4,916
<b>Total return before distributions</b>			<b>46,936</b>		<b>154,617</b>
Distributions	8		(9,573)		(8,960)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>37,363</b>		<b>145,657</b>

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

for the year to 31 August		2025		2024	
		\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>			<b>960,659</b>		<b>781,505</b>
Amounts received on issue of shares		114,925		174,590	
Amounts paid on cancellation of shares		(178,372)		(144,838)	
			(63,447)		29,752
Dilution adjustments			33		221
Change in net assets attributable to shareholders from investment activities (see above)			37,363		145,657
Retained distributions on Accumulation shares			3,775		3,492
Unclaimed distributions			23		32
<b>Closing net assets attributable to shareholders</b>			<b>938,406</b>		<b>960,659</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 August	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		923,087	949,060
<b>Current assets</b>			
Debtors	9	5,656	4,582
Cash and bank balances	10	281	1,788
Cash equivalents		18,394	16,482
<b>Total assets</b>		<b>947,418</b>	<b>971,912</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Bank overdrafts		(32)	(1,823)
Distribution payable		(5,397)	(5,512)
Other creditors	11	(2,586)	(3,270)
Deferred tax provision	7	(997)	(648)
<b>Total liabilities</b>		<b>(9,012)</b>	<b>(11,253)</b>
<b>Net assets attributable to shareholders</b>		<b>938,406</b>	<b>960,659</b>

# Financial statements and notes

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

The fund's functional and presentational currency is US dollars as this better reflects the currency of its primary economic environment.

### 2 Distribution policy

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

### 3 Net capital gains/(losses)

for the year to 31 August	2025 \$'000	2024 \$'000
Non-derivative securities	41,948	149,822
Currency gains/(losses)	(212)	(121)
<b>Net capital gains/(losses)</b>	<b>41,736</b>	<b>149,701</b>



# Financial statements and notes

## 4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 August	2025 \$'000	% of transaction	2024 \$'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	104,543		164,652	
Commissions	20	0.02	49	0.03
Taxes and other fees	31	0.03	77	0.05
<b>Total purchases after transaction costs</b>	<b>104,594</b>		<b>164,778</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	172,408		128,206	
Commissions	(31)	0.02	(33)	0.03
Taxes and other fees	(6)	0.00	(3)	0.00
<b>Total sales after transaction costs</b>	<b>172,371</b>		<b>128,170</b>	
	2025 \$'000	% of average NAV	2024 \$'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	51	0.01	82	0.01
<b>Taxes and other fees paid</b>				
Equities	37	0.00	80	0.01
<b>Total direct portfolio transaction costs</b>	<b>88</b>	<b>0.01</b>	<b>162</b>	<b>0.02</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.06		0.07

# Financial statements and notes

## 5 Revenue

for the year to 31 August	2025 \$'000	2024 \$'000
Bank interest	20	22
Dividends from equity investments: non-taxable	14,497	12,796
Dividends from equity investments: taxable	357	381
Interest distributions	846	1,387
Rebate of ongoing charges from underlying funds	15	20
<b>Total revenue</b>	<b>15,735</b>	<b>14,606</b>

## 6 Expenses

for the year to 31 August	2025 \$'000	2024 \$'000
<b>Payable to the ACD or associate</b>		
Annual charge	8,374	8,208
<b>Total expenses</b>	<b>8,374</b>	<b>8,208</b>

Audit fees for the financial year ending 2025 were £12,000 (2024: £12,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 August	2025 \$'000	2024 \$'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	1,542	1,228
Capital gains tax (India)	267	23
Deferred tax provision on capital gains tax (India) (note 7c)	349	230
<b>Total taxation</b>	<b>2,158</b>	<b>1,481</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	7,358	6,397
Corporation tax at 20%	1,472	1,279
<b>Effects of:</b>		
Revenue: non-taxable	(2,899)	(2,559)
Current year expenses not utilised	1,427	1,280
Withholding tax	1,542	1,228
Capital gains tax (India)	616	253
<b>Total tax charge (note 7a)</b>	<b>2,158</b>	<b>1,481</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	648	418
Deferred tax in profit and loss account (note 7a)	349	230
<b>Provision at the end of the year</b>	<b>997</b>	<b>648</b>

The fund has not recognised a deferred tax asset of \$41,393,000 (2024: \$39,966,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

# Financial statements and notes

## 8 Distributions

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

for the year to 31 August	2025		2024	
	Inc	Acc	Inc	Acc
	\$'000	\$'000	\$'000	\$'000
<b>Dividend distributions</b>				
Final	5,397	3,775	5,512	3,492
Total net distributions		9,172		9,004
Income deducted on cancellation of shares		787		689
Income received on issue of shares		(386)		(733)
<b>Distributions</b>		<b>9,573</b>		<b>8,960</b>
Net revenue/(expense) per statement of total return		5,200		4,916
Expenses offset against capital		3,757		3,791
Capital gains tax offset against capital		616		253
<b>Distributions</b>		<b>9,573</b>		<b>8,960</b>

## 9 Debtors

as at 31 August	2025	2024
	\$'000	\$'000
Amounts receivable on issues of shares	2,017	1,897
Currency deals outstanding	1,445	446
Distributions receivable	59	81
Dividends receivable	726	733
Withholding tax recoverable	1,409	1,425
<b>Total debtors</b>	<b>5,656</b>	<b>4,582</b>

## 10 Cash and bank balances

as at 31 August	2025	2024
	\$'000	\$'000
Cash held as bank balances	281	1,788
<b>Total cash and bank balances</b>	<b>281</b>	<b>1,788</b>

## 11 Other creditors

as at 31 August	2025	2024
	\$'000	\$'000
Amounts payable on cancellation of shares	889	2,564
Annual charge payable	255	259
Currency deals outstanding	1,442	447
<b>Total other creditors</b>	<b>2,586</b>	<b>3,270</b>

# Financial statements and notes

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

## 13 Shares in issue

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

Share class	Opening 01.09.24	Issued	Movements Cancelled	Converted	Closing 31.08.25
<b>Sterling</b>					
Class 'A' Income	32,205,189	475,539	(2,175,988)	0	30,504,740
Class 'A' Accumulation	9,130,687	301,979	(1,235,397)	0	8,197,269
Class 'I' Income	1,491,071	117,019	(480,419)	0	1,127,671
Class 'I' Accumulation	6,307,167	877,721	(1,738,042)	0	5,446,846
Class 'PP' Income	11,778,438	5,013,574	(4,705,940)	0	12,086,072
Class 'PP' Accumulation	12,185,179	25,895,042	(4,136,029)	0	33,944,192
Class 'R' Income	1,024,371	50,641	(183,608)	0	891,404
Class 'R' Accumulation	4,545,823	348,479	(759,018)	0	4,135,284

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

## 14 Charging structure

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

Share class	Annual charge %
<b>Sterling</b>	
Class 'A'	1.10
Class 'I'	0.70
Class 'PP'	0.60
Class 'R'	0.95

## 15 Related parties

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

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

# Financial statements and notes

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totaling 18.71% (2024: 23.70%) of the fund's shares.

## 16 Fair value analysis

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

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

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

### Level 2: Valuation technique using observable market data

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

### Level 3: Valuation technique using unobservable inputs

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

as at 31 August	Assets 2025 \$'000	Liabilities 2025 \$'000	Assets 2024 \$'000	Liabilities 2024 \$'000
Basis of valuation				
Level 1	923,087	0	949,060	0
Level 2	0	0	0	0
Level 3	0	0	0	0
	<b>923,087</b>	<b>0</b>	<b>949,060</b>	<b>0</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

## 18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by \$46,154,000 (2024: \$47,453,000). A five per cent decrease would have an equal and opposite effect.

# Financial statements and notes

## 19 Currency risk sensitivity and exposure

A five per cent increase in the value of the fund's currency exposure would have the effect of increasing the return and net assets by \$18,374,000 (2024: \$19,603,000). A five per cent decrease would have an equal and opposite effect.

as at 31 August	2025 \$'000	2024 \$'000
<b>Currency exposure</b>		
Danish krone	53,226	87,761
Euro	118,188	90,940
Hong Kong dollar	23,328	15,461
Indian rupee	30,779	26,931
Japanese yen	46,382	42,573
Sterling	79,853	91,494
Swiss franc	15,731	36,903
US dollar	570,919	568,596
<b>Total</b>	<b>938,406</b>	<b>960,659</b>

## 20 Interest rate risk sensitivity and exposure

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

## 21 Credit risk

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

## 22 Dividend distribution tables

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

### Annual distribution period

	Start	End	Xd	Payment
Final	01.09.24	31.08.25	01.09.25	31.10.25

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

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

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

# Financial statements and notes

## Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	7.7551	2.6060	10.3611	9.9215

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	4.7043	1.5946	6.2989	5.7020

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	27.9271	23.9063	51.8334	49.4396

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	23.0539	10.1376	33.1915	30.2021

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	0.7160	1.0902	1.8062	1.7210

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	0.5543	0.5868	1.1411	1.0909



# Financial statements and notes

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	2.5770	2.4960	5.0730	4.8508

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.7097	0.5279	2.2376	2.0322

## 23 Events after the balance sheet date

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

# Authorised Corporate Director’s Report

For the purposes of these financial statements, the Prospectus dated 2 April 2025 has been used.

## Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the 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.

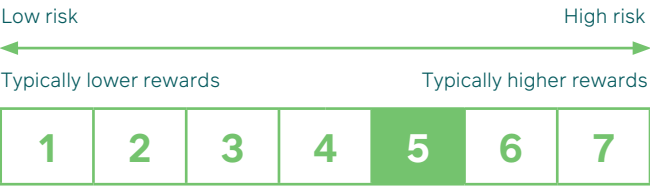
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund’s holdings may deviate significantly from the benchmark’s constituents.

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. For details of the risk management policies, please refer to pages 12 to 14.

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



### The above number:

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

# Authorised Corporate Director's Report

## Investment review

For the year ended 31 August 2025

### Performance against objective

Between 1 September 2024 (the start of the review period) and 31 August 2025, the fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. All the share classes, except the EUR 'A' and USD 'A' share classes, outperformed the benchmark, the MSCI ACWI Index, which returned 13.2% in sterling terms.

Over five years, the fund generated a positive total return across all its share classes but underperformed relative to its benchmark, the MSCI ACWI Index, which returned 12.3% pa in sterling terms. The fund therefore did not meet its 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 all share classes.

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

### Performance review

Global equity markets experienced a year of sharp contrasts, shaped by political developments, trade tensions, and sector-specific dynamics. Equities initially rallied as central banks signalled monetary easing amid improving inflation trends, and Trump's presidential victory further boosted sentiment. However, geopolitical uncertainties and tariff threats introduced significant volatility. The US Federal Reserve's (Fed) cautious stance on rate cuts added to market unease, creating tension between investor optimism and policy signals.

The early part of the year was dominated by the so called 'Magnificent Seven' (Mag7) US technology stocks, but momentum faltered after a Chinese artificial intelligence (AI) breakthrough by DeepSeek triggered a sharp reassessment of AI-related demand, leading to a major sell-off in big tech. Volatility persisted through February as these stocks posted their weakest performance in over a year.

Markets faced further disruption when sweeping US tariff proposals sparked fears of a global recession, prompting a sharp equity sell-off. A temporary suspension of tariffs and subsequent bilateral trade agreements helped restore confidence, though selective tariff hikes in India, Canada and Brazil kept trade risks alive. Overall, the year was marked by alternating phases of optimism and uncertainty, with technology and policy developments driving market direction.

Across the broader market, the communication services sector was the standout performer during the period. Financials and information technology were also strong. Conversely, the healthcare sector detracted the most from overall market performance.

### Fund review

Against this backdrop, the fund generated a positive return. Sector allocation detracted from relative performance; however, it was offset by favourable security selection. Security selection and an above-benchmark exposure to real estate detracted from relative returns. Stock selection in healthcare and utilities also proved detrimental. Conversely, stock selection in materials and industrials, and a below benchmark allocation to consumer staples was beneficial.

At the individual stock level, an above-benchmark allocation to Novo Nordisk and Shimano detracted from relative performance. Novo Nordisk provided the biggest drag on fund performance as the company lowered its sales and profit guidance on lower-than-expected demand for its weight-loss products. Shimano declined after a surprising cut to profit forecasts due to weaker China sales and higher operating expenses. An off-benchmark exposure to PrairieSky Royalty was also detrimental.

On the other hand, our above-benchmark allocation to Cameco, Tencent and Siemens Energy contributed to the relative results.

### Investment activities

Over the review period, we actively rebalanced the portfolio to align with evolving thematic convictions and

# Authorised Corporate Director's Report

valuation opportunities. Proceeds from divestments in Samsung Electronics, Infineon Technologies, Roche, Siemens Energy, NXP Semiconductors, Alexandria Real Estate, and Intel were recycled into high-conviction names such as Micron Technology, ASML, Novo Nordisk, Apple, NVIDIA, Meta Platforms and CATL (Contemporary Amperex Technology). These additions reinforced our exposure to innovation, healthcare, and energy transition themes. We fully exited positions in Manulife, Becton Dickinson, Magna International, Mobileye Global, Segro, CVS Health, and Ecolab, reflecting our reassessment of their growth prospects. Notably, NVIDIA and Oracle emerged as strong contributors post-acquisition, whereas Novo Nordisk experienced volatility due to revised guidance. The portfolio remains anchored in innovation, with strategic reallocations aimed at capturing sustained long-term structural growth increases while managing near-term risks.

## Outlook

The fund managed to successfully navigate the events of the summer, namely the Jackson Hole 'pivot' towards potential further interest rate cuts, AI 'hype' concerns and a resurfacing of European political instability.

As the market questions the sustainability of US leadership and lofty valuations, our process and discipline stand us apart from peers, in our view. We believe that thematic investing provides access to secular growth dynamics without being tied to certain geographies or sectors.

Our valuation parameters help prevent overpaying for thematic winners and force us to think more laterally for exposures to where the upside optionality of the theme has not yet been fully recognised. This concentrated

bottom-up approach to capture structural growth opportunities should, in our opinion, be resilient to market volatility and could potentially generate above-benchmark returns over time.

## 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 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities</b>	<b>3,064,523</b>	<b>98.57</b>	<b>99.17</b>
<b>Australia</b>	<b>61,578</b>	<b>1.98</b>	<b>3.00</b>
10,756,721 APA Group	61,578	1.98	
326,423 Erinbar Ltd. <sup>a</sup>	0	0.00	
<b>Austria</b>	<b>43,964</b>	<b>1.41</b>	<b>1.07</b>
464,911 Erste Group Bank AG	43,964	1.41	
<b>Canada</b>	<b>419,616</b>	<b>13.50</b>	<b>16.14</b>
929,017 Brookfield Corp.	60,774	1.96	
804,623 Cameco Corp.	63,117	2.03	
1,306,373 Enbridge, Inc.	62,451	2.01	
594,736 Franco-Nevada Corp.	109,772	3.53	
7,115,279 PrairieSky Royalty Ltd.	123,502	3.97	
<b>Cayman Islands</b>	<b>94,691</b>	<b>3.05</b>	<b>3.02</b>
1,234,800 Tencent Holdings Ltd.	94,691	3.05	
<b>China</b>	<b>81,609</b>	<b>2.62</b>	<b>3.22</b>
2,791,713 BYD Co. Ltd.	40,815	1.31	
949,900 Contemporary Amperex Technology Co. Ltd.	40,794	1.31	
<b>Denmark</b>	<b>80,115</b>	<b>2.58</b>	<b>0.96</b>
1,431,667 Novo Nordisk AS	80,115	2.58	
<b>France</b>	<b>44,626</b>	<b>1.43</b>	<b>1.06</b>
330,292 Vinci SA	44,626	1.43	
<b>Germany</b>	<b>92,736</b>	<b>2.98</b>	<b>4.72</b>
151,636 Hannover Rueck SE	44,124	1.42	
174,619 Siemens AG	48,612	1.56	
<b>Hong Kong</b>	<b>62,038</b>	<b>2.00</b>	<b>1.50</b>
6,579,368 AIA Group Ltd.	62,038	2.00	
<b>Japan</b>	<b>171,216</b>	<b>5.51</b>	<b>5.94</b>
424,400 Shimano, Inc.	47,185	1.52	
9,266,300 Toray Industries, Inc.	62,193	2.00	
3,188,100 Toyota Motor Corp.	61,838	1.99	
<b>Netherlands</b>	<b>78,938</b>	<b>2.54</b>	<b>1.05</b>
103,815 ASML Holding NV	78,938	2.54	
<b>Romania</b>	<b>0</b>	<b>0.00</b>	<b>1.53</b>

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Singapore</b>	<b>47,057</b>	<b>1.51</b>	<b>1.03</b>
1,197,475 DBS Group Holdings Ltd.	47,057	1.51	
<b>South Korea</b>	<b>0</b>	<b>0.00</b>	<b>1.46</b>
<b>Switzerland</b>	<b>50,615</b>	<b>1.63</b>	<b>2.52</b>
210,922 Garmin Ltd.	50,615	1.63	
<b>United Kingdom</b>	<b>64,902</b>	<b>2.09</b>	<b>2.25</b>
408,483 AstraZeneca PLC	64,902	2.09	
<b>United States</b>	<b>1,670,822</b>	<b>53.74</b>	<b>48.70</b>
559,259 Alphabet, Inc.	116,969	3.76	
625,782 Amazon.com, Inc.	144,262	4.64	
382,916 American Tower Corp.	77,637	2.50	
213,048 American Water Works Co., Inc.	30,461	0.98	
321,763 Amgen, Inc.	91,694	2.95	
625,457 Apple, Inc.	144,694	4.65	
264,805 Cheniere Energy, Inc.	64,028	2.06	
1,322,025 CSX Corp.	43,084	1.39	
139,140 Elevance Health, Inc.	43,046	1.39	
119,888 Equinix, Inc.	94,040	3.03	
234,772 Lululemon Athletica, Inc.	47,922	1.54	
53,011 Martin Marietta Materials, Inc.	32,360	1.04	
142,061 Meta Platforms, Inc.	105,979	3.41	
247,698 Micron Technology, Inc.	29,833	0.96	
293,988 Microsoft Corp.	149,331	4.80	
101,702 Motorola Solutions, Inc.	47,759	1.54	
630,532 NextEra Energy, Inc.	45,480	1.46	
790,647 NVIDIA Corp.	140,633	4.52	
182,113 Oracle Corp.	43,585	1.40	
389,323 QUALCOMM, Inc.	62,097	2.00	
133,886 Republic Services, Inc.	31,179	1.00	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>United States (continued)</b>			
111,625 Visa, Inc.	38,987	1.25	
1,769,785 Weyerhaeuser Co.	45,762	1.47	
<b>Total portfolio</b>	<b>3,064,523</b>	<b>98.57</b>	<b>99.17</b>
<b>Net other assets/(liabilities)</b>	<b>44,608</b>	<b>1.43</b>	<b>0.83</b>
<b>Net assets attributable to shareholders</b>	<b>3,109,131</b>	<b>100.00</b>	<b>100.00</b>

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

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

<sup>a</sup> Unlisted/unquoted.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 August 2025

Largest purchases	\$'000
Apple, Inc.	123,634
Novo Nordisk AS	122,394
Meta Platforms, Inc.	106,555
NVIDIA Corp.	94,027
ASML Holding NV	88,177
Franco-Nevada Corp.	87,407
Micron Technology, Inc.	79,520
American Tower Corp.	78,471
Amgen, Inc.	73,938
Amazon.com, Inc.	73,645
Other purchases	1,015,437
<b>Total purchases</b>	<b>1,943,205</b>

Largest sales	\$'000
Oracle Corp.	145,810
Crown Castle, Inc.	126,246
BYD Co. Ltd.	112,794
Franco-Nevada Corp.	110,649
Intel Corp.	92,168
Alphabet, Inc.	89,057
Manulife Financial Corp.	66,201
Micron Technology, Inc.	64,685
Tencent Holdings Ltd.	54,462
Becton Dickinson & Co.	54,006
Other sales	1,284,612
<b>Total sales</b>	<b>2,200,690</b>

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



# Financial highlights

## Fund performance

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

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

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

## Long-term performance by share class

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

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Euro</b>				
Class 'A' Income	+9.7	+5.1	+9.5	+8.8
Class 'A' Accumulation	+9.7	+5.1	+9.5	+8.8
Class 'C' Income	+10.8	+6.1	+10.6	+9.8
Class 'C' Accumulation	+10.8	+6.1	+10.6	+9.8
<b>Benchmark (EUR)</b>	<b>+10.0</b>	<b>+12.4</b>	<b>+13.0</b>	<b>+11.2</b>
<b>Sterling</b>				
Class 'A' Income	+13.7	+6.0	+9.4	+11.1
Class 'A' Accumulation	+13.7	+6.0	+9.4	+11.1
Class 'I' Income	+14.2	+6.4	+9.9	+11.7
Class 'I' Accumulation	+14.2	+6.4	+9.9	+11.7
Class 'PP' Income	+14.4	+6.6	+10.1	n/a
Class 'PP' Accumulation	+14.4	+6.6	+10.1	n/a
Class 'R' Income	+13.9	+6.1	+9.6	+11.4
Class 'R' Accumulation	+13.9	+6.1	+9.6	+11.4
<b>Benchmark (GBP)</b>	<b>+13.2</b>	<b>+12.5</b>	<b>+12.3</b>	<b>+13.1</b>
<b>US dollar</b>				
Class 'A' Accumulation	+15.6	+10.7	+9.1	+9.1
Class 'C' Accumulation	+16.7	n/a	n/a	n/a
<b>Benchmark (USD)</b>	<b>+16.3</b>	<b>+18.2</b>	<b>+12.5</b>	<b>+11.7</b>

<sup>a</sup> Not annualised.

# Financial highlights

## Specific share class performance

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

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

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

# Financial highlights

## Euro Class 'A' Income shares

The share class was launched on 12 July 2013.

for the year to 31 August Change in NAV per share	2025 Euro €	2024 Euro €	2023 Euro €
Opening NAV	4,546.10	4,329.67	4,473.69
Return before operating charges*	532.65	399.21	27.06
Operating charges	(88.81)	(88.73)	(85.23)
Return after operating charges*	443.84	310.48	(58.17)
Distributions	(81.65)	(94.05)	(85.85)
Closing NAV	4,908.29	4,546.10	4,329.67
*after direct transaction cost of	3.44	2.21	2.69
<b>Performance</b>			
Return after charges (%)	9.76	7.17	(1.30)
<b>Other information</b>			
Closing NAV (\$'000)	5,882	5,833	5,464
Number of shares	102,702	115,811	116,074
Operating charges (%)	1.86	1.97	1.95
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (Euro €)	5,083.22	4,814.61	4,565.15
Lowest share price (Euro €)	4,164.40	4,094.48	4,052.61

## Euro Class 'A' Accumulation shares

The share class was launched on 28 November 2001.

for the year to 31 August Change in NAV per share	2025 Euro €	2024 Euro €	2023 Euro €
Opening NAV	5,341.27	4,983.92	5,048.01
Return before operating charges*	625.55	459.40	32.12
Operating charges	(104.38)	(102.05)	(96.21)
Return after operating charges*	521.17	357.35	(64.09)
Distributions	0.00	(14.22)	(7.30)
Retained distributions	0.00	14.22	7.30
Closing NAV	5,862.44	5,341.27	4,983.92
*after direct transaction cost of	4.05	2.54	3.03
<b>Performance</b>			
Return after charges (%)	9.76	7.17	(1.27)
<b>Other information</b>			
Closing NAV (\$'000)	2,075,293	1,911,052	1,858,604
Number of shares	30,340,547	32,291,500	34,299,357
Operating charges (%)	1.86	1.97	1.95
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (Euro €)	5,972.03	5,542.08	5,152.82
Lowest share price (Euro €)	4,892.55	4,713.15	4,578.86

# Financial highlights

## Euro Class 'C' Income shares

The share class was launched on 8 August 2014.

for the year to 31 August Change in NAV per share	2025 Euro ¢	2024 Euro ¢	2023 Euro ¢
Opening NAV	5,521.39	5,206.32	5,325.02
Return before operating charges*	649.51	480.88	33.37
Operating charges	(50.18)	(52.86)	(49.67)
Return after operating charges*	599.33	428.02	(16.30)
Distributions	(99.64)	(112.95)	(102.40)
Closing NAV	6,021.08	5,521.39	5,206.32
*after direct transaction cost of	4.21	2.67	3.21
<b>Performance</b>			
Return after charges (%)	10.85	8.22	(0.31)
<b>Other information</b>			
Closing NAV (\$'000)	14	12	80
Number of shares	204	204	1,405
Operating charges (%)	0.86	0.97	0.95
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (Euro ¢)	6,203.11	5,838.97	5,483.50
Lowest share price (Euro ¢)	5,088.32	4,930.91	4,830.55

## Euro Class 'C' Accumulation shares

The share class was launched on 28 November 2001.

for the year to 31 August Change in NAV per share	2025 Euro ¢	2024 Euro ¢	2023 Euro ¢
Opening NAV	6,656.68	6,149.73	6,169.33
Return before operating charges*	783.20	568.99	37.02
Operating charges	(60.47)	(62.04)	(56.62)
Return after operating charges*	722.73	506.95	(19.60)
Distributions	(63.19)	(80.38)	(72.88)
Retained distributions	63.19	80.38	72.88
Closing NAV	7,379.41	6,656.68	6,149.73
*after direct transaction cost of	5.07	3.13	3.66
<b>Performance</b>			
Return after charges (%)	10.86	8.24	(0.32)
<b>Other information</b>			
Closing NAV (\$'000)	6,479	5,742	6,996
Number of shares	75,251	77,851	104,632
Operating charges (%)	0.86	0.97	0.95
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (Euro ¢)	7,478.54	6,898.26	6,352.21
Lowest share price (Euro ¢)	6,134.69	5,825.34	5,603.83

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 28 February 1973.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	1,285.16	1,240.21	1,276.07
Return before operating charges*	194.10	89.15	5.72
Operating charges	(17.11)	(17.69)	(17.12)
Return after operating charges*	176.99	71.46	(11.40)
Distributions	(23.86)	(26.51)	(24.46)
Closing NAV	1,438.29	1,285.16	1,240.21
*after direct transaction cost of	0.98	0.55	0.78
<b>Performance</b>			
Return after charges (%)	13.77	5.76	(0.89)
<b>Other information</b>			
Closing NAV (\$'000)	182,977	169,204	174,643
Number of shares	9,449,858	9,995,020	11,105,519
Operating charges (%)	1.26	1.37	1.35
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (UK p)	1,463.70	1,368.89	1,342.42
Lowest share price (UK p)	1,209.11	1,196.19	1,177.88

## Sterling Class 'A' Accumulation shares

The share class was launched on 28 February 1973.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	2,282.44	2,158.08	2,176.96
Return before operating charges*	344.56	155.15	10.31
Operating charges	(30.37)	(30.79)	(29.19)
Return after operating charges*	314.19	124.36	(18.88)
Distributions	(12.93)	(18.99)	(15.53)
Retained distributions	12.93	18.99	15.53
Closing NAV	2,596.63	2,282.44	2,158.08
*after direct transaction cost of	1.74	0.96	1.33
<b>Performance</b>			
Return after charges (%)	13.77	5.76	(0.87)
<b>Other information</b>			
Closing NAV (\$'000)	317,297	314,140	325,797
Number of shares	9,076,714	10,448,546	11,905,840
Operating charges (%)	1.26	1.37	1.35
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (UK p)	2,599.39	2,382.00	2,290.80
Lowest share price (UK p)	2,147.27	2,081.48	2,012.09

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	2,230.37	2,143.64	2,197.00
Return before operating charges*	337.57	154.35	9.75
Operating charges	(20.27)	(21.69)	(20.81)
Return after operating charges*	317.30	132.66	(11.06)
Distributions	(41.49)	(45.93)	(42.30)
Closing NAV	2,506.18	2,230.37	2,143.64
*after direct transaction cost of	1.70	0.96	1.35
<b>Performance</b>			
Return after charges (%)	14.23	6.19	(0.50)
<b>Other information</b>			
Closing NAV (\$'000)	58,823	64,360	67,252
Number of shares	1,743,441	2,190,644	2,474,186
Operating charges (%)	0.86	0.97	0.95
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (UK p)	2,549.52	2,372.85	2,315.27
Lowest share price (UK p)	2,103.51	2,068.89	2,028.98

## Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	2,735.10	2,575.79	2,587.97
Return before operating charges*	413.84	185.37	12.36
Operating charges	(24.90)	(26.06)	(24.54)
Return after operating charges*	388.94	159.31	(12.18)
Distributions	(26.75)	(33.03)	(28.28)
Retained distributions	26.75	33.03	28.28
Closing NAV	3,124.04	2,735.10	2,575.79
*after direct transaction cost of	2.09	1.15	1.59
<b>Performance</b>			
Return after charges (%)	14.22	6.18	(0.47)
<b>Other information</b>			
Closing NAV (\$'000)	399,813	390,762	405,150
Number of shares	9,506,364	10,846,045	12,404,711
Operating charges (%)	0.86	0.97	0.95
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (UK p)	3,126.30	2,851.11	2,728.12
Lowest share price (UK p)	2,579.40	2,485.89	2,393.20

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	133.79	128.34	131.22
Return before operating charges*	20.28	9.24	0.60
Operating charges	(0.94)	(1.04)	(0.99)
Return after operating charges*	19.34	8.20	(0.39)
Distributions	(2.49)	(2.75)	(2.49)
Closing NAV	150.64	133.79	128.34
*after direct transaction cost of	0.10	0.06	0.08
<b>Performance</b>			
Return after charges (%)	14.46	6.39	(0.30)
<b>Other information</b>			
Closing NAV (\$'000)	6,326	5,161	3,684
Number of shares	3,119,291	2,928,222	2,263,939
Operating charges (%)	0.66	0.77	0.75
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (UK p)	153.22	142.25	138.40
Lowest share price (UK p)	126.33	123.89	121.21

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	164.18	154.31	154.73
Return before operating charges*	24.88	11.13	0.75
Operating charges	(1.15)	(1.26)	(1.17)
Return after operating charges*	23.73	9.87	(0.42)
Distributions	(1.94)	(2.29)	(1.99)
Retained distributions	1.94	2.29	1.99
Closing NAV	187.91	164.18	154.31
*after direct transaction cost of	0.13	0.07	0.10
<b>Performance</b>			
Return after charges (%)	14.45	6.40	(0.27)
<b>Other information</b>			
Closing NAV (\$'000)	6,765	5,583	2,252
Number of shares	2,674,445	2,581,698	1,150,777
Operating charges (%)	0.66	0.77	0.75
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (UK p)	188.02	171.05	163.26
Lowest share price (UK p)	155.03	148.97	143.12

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	218.74	210.77	216.55
Return before operating charges*	33.07	15.16	0.96
Operating charges	(2.57)	(2.68)	(2.59)
Return after operating charges*	30.50	12.48	(1.63)
Distributions	(4.06)	(4.51)	(4.15)
Closing NAV	245.18	218.74	210.77
*after direct transaction cost of	0.17	0.09	0.13
<b>Performance</b>			
Return after charges (%)	13.94	5.92	(0.75)
<b>Other information</b>			
Closing NAV (\$'000)	6,028	5,670	5,635
Number of shares	1,826,245	1,967,894	2,108,533
Operating charges (%)	1.11	1.22	1.20
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (UK p)	249.48	232.89	227.95
Lowest share price (UK p)	205.99	203.34	199.92

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	265.42	250.59	252.40
Return before operating charges*	40.11	18.02	1.20
Operating charges	(3.11)	(3.19)	(3.01)
Return after operating charges*	37.00	14.83	(1.81)
Distributions	(1.91)	(2.58)	(2.16)
Retained distributions	1.91	2.58	2.16
Closing NAV	302.42	265.42	250.59
*after direct transaction cost of	0.20	0.11	0.15
<b>Performance</b>			
Return after charges (%)	13.94	5.92	(0.72)
<b>Other information</b>			
Closing NAV (\$'000)	26,047	25,608	26,050
Number of shares	6,397,550	7,324,146	8,198,421
Operating charges (%)	1.11	1.22	1.20
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (UK p)	302.70	276.89	265.78
Lowest share price (UK p)	249.94	241.75	233.33



# Financial highlights

## US dollar Class 'A' Accumulation shares

The share class was launched on 9 March 2007.

for the year to 31 August Change in NAV per share	2025 US ¢	2024 US ¢	2023 US ¢
Opening NAV	2,098.70	1,921.63	1,786.45
Return before operating charges*	367.58	216.10	171.30
Operating charges	(40.65)	(39.03)	(36.12)
Return after operating charges*	326.93	177.07	135.18
Distributions	0.00	(5.59)	(2.85)
Retained distributions	0.00	5.59	2.85
Closing NAV	2,425.63	2,098.70	1,921.63
*after direct transaction cost of	1.58	0.85	1.14
<b>Performance</b>			
Return after charges (%)	15.58	9.21	7.57
<b>Other information</b>			
Closing NAV (\$'000)	17,376	18,165	23,170
Number of shares	716,356	865,545	1,205,761
Operating charges (%)	1.86	1.97	1.95
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (US ¢)	2,427.11	2,144.30	2,021.92
Lowest share price (US ¢)	1,913.98	1,763.59	1,583.41

## US dollar Class 'C' Accumulation shares

The share class was launched on 17 November 2022.

for the year/period to 31 August Change in NAV per share	2025 US ¢	2024 US ¢	2023 US ¢
Opening NAV	1,179.64	1,069.42	1,000.00
Return before operating charges*	208.11	120.99	77.62
Operating charges	(10.63)	(10.77)	(8.20)
Return after operating charges*	197.48	110.22	69.42
Distributions	(11.77)	(14.23)	(10.00)
Retained distributions	11.77	14.23	10.00
Closing NAV	1,377.12	1,179.64	1,069.42
*after direct transaction cost of	0.89	0.48	0.51
<b>Performance</b>			
Return after charges (%)	16.74	10.31	6.94
<b>Other information</b>			
Closing NAV (\$'000)	11	9	21
Number of shares	800	800	2,000
Operating charges (%)	0.86	0.97	0.96
Direct transaction costs (%)	0.07	0.04	0.06
<b>Prices</b>			
Highest share price (US ¢)	1,377.96	1,203.75	1,124.17
Lowest share price (US ¢)	1,082.43	982.97	981.31

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 August		2025		2024	
	Note	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Net capital gains/(losses)	3		430,296		249,301
Revenue	5	59,555		70,198	
Expenses	6	(46,511)		(45,873)	
Interest payable and similar charges		(4)		(4)	
Net revenue/(expense) before taxation		13,040		24,321	
Taxation	7	(7,074)		(8,693)	
Net revenue/(expense) after taxation			5,966		15,628
<b>Total return before distributions</b>			<b>436,262</b>		<b>264,929</b>
Distributions	8		(9,977)		(18,858)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>426,285</b>		<b>246,071</b>

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

for the year to 31 August		2025		2024	
		\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>			<b>2,921,301</b>		<b>2,904,798</b>
Amounts received on issue of shares		13,810		29,280	
Amounts paid on cancellation of shares		(257,579)		(271,988)	
			(243,769)		(242,708)
Dilution adjustments			0		246
Change in net assets attributable to shareholders from investment activities (see above)			426,285		246,071
Retained distributions on Accumulation shares			5,294		12,865
Unclaimed distributions			20		29
<b>Closing net assets attributable to shareholders</b>			<b>3,109,131</b>		<b>2,921,301</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 August	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		3,064,523	2,897,167
<b>Current assets</b>			
Debtors	9	10,863	12,523
Cash and bank balances	10	3,009	9,722
Cash equivalents		40,824	12,906
<b>Total assets</b>		<b>3,119,219</b>	<b>2,932,318</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Bank overdrafts		(387)	0
Distribution payable		(4,312)	(5,160)
Other creditors	11	(5,389)	(5,857)
<b>Total liabilities</b>		<b>(10,088)</b>	<b>(11,017)</b>
<b>Net assets attributable to shareholders</b>		<b>3,109,131</b>	<b>2,921,301</b>

# Financial statements and notes

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

The fund's functional and presentational currency is US dollars as this better reflects the currency of its primary economic environment.

### 2 Distribution policy

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

### 3 Net capital gains/(losses)

for the year to 31 August	2025 \$'000	2024 \$'000
Non-derivative securities	429,215	247,592
Capital gains on US REIT	1,531	1,949
Currency gains/(losses)	(450)	(240)
<b>Net capital gains/(losses)</b>	<b>430,296</b>	<b>249,301</b>

# Financial statements and notes

## 4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 August	2025 \$'000	% of transaction	2024 \$'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	1,942,119		1,251,003	
Commissions	700	0.04	386	0.03
Taxes and other fees	386	0.02	212	0.02
<b>Total purchases after transaction costs</b>	<b>1,943,205</b>		<b>1,251,601</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	2,201,706		1,481,096	
Commissions	(685)	0.03	(530)	0.04
Taxes and other fees	(331)	0.02	(112)	0.01
<b>Total sales after transaction costs</b>	<b>2,200,690</b>		<b>1,480,454</b>	
	2025 \$'000	% of average NAV	2024 \$'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	1,385	0.05	916	0.03
<b>Taxes and other fees paid</b>				
Equities	717	0.02	324	0.01
<b>Total direct portfolio transaction costs</b>	<b>2,102</b>	<b>0.07</b>	<b>1,240</b>	<b>0.04</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.12		0.16

# Financial statements and notes

## 5 Revenue

for the year to 31 August	2025 \$'000	2024 \$'000
Bank interest	94	89
Dividends from equity investments: non-taxable	45,707	55,496
Dividends from equity investments: taxable	4,746	5,473
Interest distributions	959	681
Property distribution: non-taxable	4	438
Property distribution: taxable	8,035	8,014
Rebate of ongoing charges from underlying funds	10	7
<b>Total revenue</b>	<b>59,555</b>	<b>70,198</b>

## 6 Expenses

for the year to 31 August	2025 \$'000	2024 \$'000
<b>Payable to the ACD or associate</b>		
Annual charge	46,511	45,873
<b>Total expenses</b>	<b>46,511</b>	<b>45,873</b>

Audit fees for the financial year ending 2025 were £12,000 (2024: £12,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 August	2025 \$'000	2024 \$'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	6,844	8,401
Capital gains tax (US)	230	292
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>7,074</b>	<b>8,693</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	13,040	24,321
Corporation tax at 20%	2,608	4,864
<b>Effects of:</b>		
Revenue: non-taxable	(9,142)	(11,187)
Capital income subject to taxation	306	390
Current year expenses not utilised	6,605	6,249
Withholding tax	6,844	8,401
Withholding tax expensed	(377)	(316)
Capital gains tax (US)	230	292
<b>Total tax charge (note 7a)</b>	<b>7,074</b>	<b>8,693</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset of \$222,180,000 (2024: \$215,575,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

# Financial statements and notes

## 8 Distributions

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

for the year to 31 August	2025		2024	
	Inc	Acc	Inc	Acc
	\$'000	\$'000	\$'000	\$'000
<b>Dividend distributions</b>				
Final	4,312	5,294	5,160	12,865
Total net distributions		9,606		18,025
Income deducted on cancellation of shares		410		891
Income received on issue of shares		(39)		(58)
<b>Distributions</b>		<b>9,977</b>		<b>18,858</b>
Net revenue/(expense) per statement of total return		5,966		15,628
Expenses offset against capital		2,900		2,938
Capital gains tax offset against capital		230		292
Income deficit transferred to capital		881		0
<b>Distributions</b>		<b>9,977</b>		<b>18,858</b>

## 9 Debtors

as at 31 August	2025	2024
	\$'000	\$'000
Amounts receivable from M&G Global Leaders Fund	28	26
Amounts receivable on issues of shares	4	87
Currency deals outstanding	680	343
Distributions receivable	96	34
Dividends receivable	5,461	5,026
Sales awaiting settlement	0	2,886
Withholding tax recoverable	4,594	4,121
<b>Total debtors</b>	<b>10,863</b>	<b>12,523</b>

## 10 Cash and bank balances

as at 31 August	2025	2024
	\$'000	\$'000
Cash held as bank balances	3,009	9,722
<b>Total cash and bank balances</b>	<b>3,009</b>	<b>9,722</b>



# Financial statements and notes

## 11 Other creditors

as at 31 August	2025 \$'000	2024 \$'000
Amounts payable on cancellation of shares	3,214	4,126
Annual charge payable	1,498	1,389
Currency deals outstanding	677	342
<b>Total other creditors</b>	<b>5,389</b>	<b>5,857</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

## 13 Shares in issue

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

Share class	Opening 01.09.24	Issued	Movements Cancelled	Converted	Closing 31.08.25
<b>Euro</b>					
Class 'A' Income	115,811	4,964	(18,073)	0	102,702
Class 'A' Accumulation	32,291,500	60,398	(2,011,351)	0	30,340,547
Class 'C' Income	204	0	0	0	204
Class 'C' Accumulation	77,851	548	(3,148)	0	75,251
<b>Sterling</b>					
Class 'A' Income	9,995,020	112,740	(657,902)	0	9,449,858
Class 'A' Accumulation	10,448,546	36,971	(1,408,803)	0	9,076,714
Class 'I' Income	2,190,644	53,117	(500,320)	0	1,743,441
Class 'I' Accumulation	10,846,045	34,496	(1,374,177)	0	9,506,364
Class 'PP' Income	2,928,222	756,280	(565,211)	0	3,119,291
Class 'PP' Accumulation	2,581,698	531,626	(438,879)	0	2,674,445
Class 'R' Income	1,967,894	128,263	(269,912)	0	1,826,245
Class 'R' Accumulation	7,324,146	304,541	(1,231,137)	0	6,397,550
<b>US dollar</b>					
Class 'A' Accumulation	865,545	29,494	(178,683)	0	716,356
Class 'C' Accumulation	800	0	0	0	800

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

# Financial statements and notes

## 14 Charging structure

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

Share class	Annual charge %
<b>Euro</b>	
Class 'A'	1.90
Class 'C'	0.90
<b>Sterling</b>	
Class 'A'	1.30
Class 'I'	0.90
Class 'PP'	0.70
Class 'R'	1.15
<b>US dollar</b>	
Class 'A'	1.90
Class 'C'	0.90

## 15 Related parties

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

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

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 4.65% (2024: 4.65%) of the fund's shares.

## 16 Fair value analysis

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

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

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

# Financial statements and notes

## Level 2: Valuation technique using observable market data

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

## Level 3: Valuation technique using unobservable inputs

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

as at 31 August	Assets	Liabilities	Assets	Liabilities
Basis of valuation	2025	2025	2024	2024
	\$'000	\$'000	\$'000	\$'000
Level 1	3,064,523	0	2,897,167	0
Level 2	0	0	0	0
Level 3	0	0	0	0
	<b>3,064,523</b>	<b>0</b>	<b>2,897,167</b>	<b>0</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

## 18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by \$153,226,000 (2024: \$144,858,000). A five per cent decrease would have an equal and opposite effect.

# Financial statements and notes

## 19 Currency risk sensitivity and exposure

A five per cent increase in the value of the fund's currency exposure would have the effect of increasing the return and net assets by \$66,280,000 (2024: \$62,900,000). A five per cent decrease would have an equal and opposite effect.

as at 31 August	2025 \$'000	2024 \$'000
<b>Currency exposure</b>		
Australian dollar	63,677	89,356
Canadian dollar	359,916	293,852
Chinese yuan	40,921	0
Danish krone	80,542	28,221
Euro	262,260	204,480
Hong Kong dollar	197,854	227,499
Japanese yen	171,552	173,714
New Romanian leu	309	44,802
Singapore dollar	48,062	30,213
South Korean won	0	42,582
Sterling	99,755	78,253
Swiss franc	745	45,025
US dollar	1,783,538	1,663,304
<b>Total</b>	<b>3,109,131</b>	<b>2,921,301</b>

## 20 Interest rate risk sensitivity and exposure

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

## 21 Credit risk

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

## 22 Dividend distribution tables

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

### Annual distribution period

	Start	End	Xd	Payment
Final	01.09.24	31.08.25	01.09.25	31.10.25

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

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

# Financial statements and notes

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

## Euro Class 'A' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025	2025	2025	2024
	Euro ¢	Euro ¢	Euro ¢	Euro ¢
Final	55.0439	26.6098	81.6537	94.0534

## Euro Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025	2025	2025	2024
	Euro ¢	Euro ¢	Euro ¢	Euro ¢
Final	0.0000	0.0000	0.0000	14.2196

## Euro Class 'C' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025	2025	2025	2024
	Euro ¢	Euro ¢	Euro ¢	Euro ¢
Final	99.6421	0.0000	99.6421	112.9509

## Euro Class 'C' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025	2025	2025	2024
	Euro ¢	Euro ¢	Euro ¢	Euro ¢
Final	20.7290	42.4612	63.1902	80.3814

## Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025	2025	2025	2024
	UK p	UK p	UK p	UK p
Final	18.5247	5.3342	23.8589	26.5121

# Financial statements and notes

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	7.2008	5.7300	12.9308	18.9889

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	26.3870	15.1074	41.4944	45.9325

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	15.8772	10.8729	26.7501	33.0275

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	0.1235	2.3682	2.4917	2.7524

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.4645	0.4801	1.9446	2.2902

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	2.8058	1.2584	4.0642	4.5097

# Financial statements and notes

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Final	1.2820	0.6309	1.9129	2.5827

## US dollar Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 US ¢	Equalisation 2025 US ¢	2025 US ¢	2024 US ¢
Final	0.0000	0.0000	0.0000	5.5867

## US dollar Class 'C' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 US ¢	Equalisation 2025 US ¢	2025 US ¢	2024 US ¢
Final	11.7675	0.0000	11.7675	14.2275

## 23 Events after the balance sheet date

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

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2025 has been used.

## Investment objective

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

## Investment policy

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

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

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

Derivatives may be used for efficient portfolio management and hedging.

## Investment approach

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

The investment approach aims to exploit price volatility.

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

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

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

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

## Benchmark

MSCI Japan Index

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

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

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



# Authorised Corporate Director's Report

## Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 14.

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 year ended 31 August 2025

### Performance against objective

Between 1 September 2024 and 31 August 2025 (the period under review), the fund delivered positive returns across all its share classes and outperformed its benchmark, the MSCI Japan Index, which gained 10.3% over the same period.

Over five years, the fund generated an annualised positive return across its share classes and outperformed the benchmark, which returned 8.9% pa over the period. Therefore, the fund achieved its objective to provide a higher total return (the 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

Early in the review period, the Japanese stockmarket experienced turbulence after the August 'flash crash' and the ruling Liberal Democrats (LDP) selected Shigeru Ishiba as the new Prime Minister. The asset class experienced some selling pressure as momentum trades moved away.

The main narrative prior to April 2025 has been global macro and geopolitical concerns. A resurgent US dollar, sticky global inflation, and hawkish signals from the US Federal Reserve (Fed) have kept risk assets somewhat in check worldwide in the last year or so, and Japan has not been immune. Investors have long since viewed Japan as a levered play on global growth. Whilst we are less convinced that this remains the case today, this investor muscle-memory is real. As such, growing concerns over global growth and geopolitics have undermined Japanese equities in the last year, we feel. Forward earnings-per-share estimates as of the end of the first quarter of 2025 are approximately 11% higher than a year prior and evidence of ongoing self-improvement continues to abound, but the market has been flat in local currency terms. Implicitly, investors have been modestly nervous about the earnings estimates/outlook. This is not particularly surprising given political uncertainties, the tariff issue and the potential for yen strength. Of course, the longer the market goes sideways whilst fundamental earnings power improves, the better the prospective return, other things being equal.

Closer to home, the Bank of Japan's exit from negative interest rates – whilst modest and well-telegraphed – has reignited debate about the implications for asset valuations, funding costs, and currency dynamics. But these are tactical headwinds, not structural flaws. Real interest rates are still negative and inflation, while elevated by Japan's standards, is largely being driven by benign forces: wage growth, mild pricing power, and ongoing economic normalisation. This is not a country

# Authorised Corporate Director's Report

fighting to escape deflation anymore; it is a country learning how to manage a new equilibrium.

In Q2, the 'Liberation Day' volatility came and went, but market fragility remains, shaped by shifting geopolitics, tariff brinkmanship, and a persistent failure of the macro consensus. Looking back, market conditions during the second quarter of 2025 seemed to be defined more by reflex and relief than by conviction or confidence. The rally from April's lows reflects a collective exhale following extreme policy-driven dislocation instead of a constructive view of the prospective investment landscape.

Markets have been in a 'high volatility of volatility' environment for a while now, and it appears that 'crisis fatigue' is setting in. This is a double-edged sword. On the one hand, it may blunt prospective volatility in the face of new policy curveballs. On the other hand, it may lead to complacency. The economy suffers when the policy arena is seen to be dominated more by noise than information.

Coming into the second half of 2025, the stock picking environment has improved considerably as the market experienced crisis fatigue and resumed 'normal operation'. Our fund performance benefited from this.

Over the 12-month period, the fund generated a positive return, and outperformed its benchmark.

Relative performance was aided by sector allocation and stockpicking, with Mitsubishi UFJ Financial, leading global financial services group, being the largest contributor. Mitsubishi UFJ Financial saw an uptick in the first few weeks of the year, buoyed by expectations of the interest rate hike by the Bank of Japan, which was implemented in January. Other holdings that aided the performance included SoftBank and NEC.

Conversely, one of the fund's largest detractors was PeptiDream, a biotechnology company. PeptiDream shares declined at the start of the year amid market concern around earnings guidance. While proving better than expected, this positive surprise was not reflected in subsequent share price performance. Other names that held back relative returns included

Olympus, a Japanese manufacturer of optics and reprography products; and Taiyo Yuden, a company that specialises in the development, production and sale of electrical components, particularly Multilayer Ceramic Capacitors (MLCCs).

## 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 have been active throughout the year and begun several new holdings, including Yakult Honsha, Hoya, West Japan Railway, Yamato, Mizuho Financial, Japan Post Bank, Fast Retailing, Daiichi Sankyo, Nintendo, Dai-ichi Life, Fuji Electric, Mitsubishi Heavy Industries, TDK and Fujitsu.

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

West Japan Railway offers a compelling investment in a stable infrastructure business servicing the Osaka region, with significant hidden value in prime-location real estate.

Towards the end of 2024, we initiated a position in Yamato, one of Japan's largest parcel delivery companies. Despite its margin stagnation, we feel the market is overly pessimistic about its prospects. We believe Yamato holds unrealised gains in its real estate portfolio, potentially worth as much as its entire market cap.

# Authorised Corporate Director's Report

In January we added Mizuho Financial, Japan's second major high-street bank, to diversify our banking exposure and reduce single-stock concentration in Mitsubishi UFJ Financial. The fund's overall exposure to banks remains balanced against the benchmark.

During the month of March, we initiated a new position in Japan Post Bank through participation in its secondary offering. With extensive reach across Japan, it adds further diversification to our banking sector exposure.

In July, we initiated a position in Fujitsu, which we believe stands to benefit from increased digital transformation capex spending in Japan and we believe it is well-positioned to capture this trend.

These purchases were funded by some well-timed exits including Kawasaki Heavy Industries, FUJIFILM, Sparx, Tokio Marine, Takeda Pharmaceutical, Hamamatsu Photonics, Denso, Yamaha Motor, Yaskawa Electric, NTT Data, Sumitomo Forestry, and Sanrio.

## Outlook

In our view, the remainder of 2025 offers multiple paths which could be: stability with scepticism, where markets drift upwards on a lack of new policy landmines – but on thin conviction; policy overreach, where a misstep from central banks or trade officials could reignite volatility; and selective acceleration, where pockets of the market begin to re-rate as fundamentals outstrip fading macroeconomic noise.

Corporate Japan, meanwhile, continues to impress, in our opinion. Earnings grew by 9.8% this fiscal year, and companies announced a record ¥3.8 trillion in share buybacks this April – nearly triple the ¥1.3 trillion of a year ago, according to Morgan Stanley MUFG Research – Japan Equity Strategy, 4 June 2025. Japanese firms are set to repurchase 5% of their own shares, positioning themselves as the largest net buyers in the market.

With margins of safety restored and valuations turning attractive, Japanese equities are regaining global attention. Even before factoring in idiosyncratic upside, the backdrop is compelling, in our view. Fortunately,

company-specific dynamics remain strong, in our opinion – M&A, capital allocation and structural self-help are all accelerating. That plays directly to our strengths: selective stock picking in fertile ground.

## 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 31.08.25 ¥'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities</b>	<b>839,093,909</b>	<b>99.48</b>	<b>99.77</b>
<b>Automobiles and parts</b>	<b>85,969,597</b>	<b>10.19</b>	<b>11.03</b>
5,490,000 Aisin Corp.	13,386,772	1.59	
6,789,200 Honda Motor Co. Ltd.	11,075,164	1.31	
1,509,371 REE Automotive Ltd.	154,152	0.02	
1,016,700 Toyota Industries Corp.	16,581,679	1.96	
15,679,500 Toyota Motor Corp.	44,771,830	5.31	
<b>Banks</b>	<b>82,043,348</b>	<b>9.73</b>	<b>6.54</b>
7,569,100 Japan Post Bank Co. Ltd.	14,058,540	1.67	
20,595,100 Mitsubishi UFJ Financial Group, Inc.	46,294,394	5.49	
4,462,000 Mizuho Financial Group, Inc.	21,690,414	2.57	
<b>Chemicals</b>	<b>22,218,576</b>	<b>2.64</b>	<b>2.26</b>
2,453,000 Resonac Holdings Corp.	9,448,889	1.12	
12,923,800 Toray Industries, Inc.	12,769,687	1.52	
<b>Consumer products and services</b>	<b>62,241,875</b>	<b>7.38</b>	<b>12.57</b>
5,809,200 Nikon Corp.	9,665,860	1.15	
864,000 Nintendo Co. Ltd.	11,460,948	1.36	
5,445,900 Panasonic Holdings Corp.	8,198,386	0.97	
8,126,500 Sony Group Corp.	32,916,681	3.90	
<b>Financial services</b>	<b>42,764,836</b>	<b>5.07</b>	<b>6.66</b>
11,737,300 Nomura Holdings, Inc.	12,347,505	1.46	
7,971,900 ORIX Corp.	30,417,331	3.61	
<b>Food, beverage and tobacco</b>	<b>8,517,601</b>	<b>1.01</b>	<b>0.00</b>
3,546,900 Yakult Honsha Co. Ltd.	8,517,601	1.01	
<b>Health care</b>	<b>47,680,619</b>	<b>5.65</b>	<b>4.56</b>
5,749,400 Astellas Pharma, Inc.	9,302,506	1.10	
4,655,000 Daiichi Sankyo Co. Ltd.	16,365,574	1.94	
444,400 Hoya Corp.	8,500,557	1.01	
4,313,700 Olympus Corp.	7,366,529	0.87	
4,116,900 PeptiDream, Inc.	6,145,453	0.73	
<b>Industrial goods and services</b>	<b>232,365,577</b>	<b>27.55</b>	<b>25.79</b>
1,948,100 AGC, Inc.	9,007,442	1.07	
3,033,300 Credit Saison Co. Ltd.	11,410,294	1.35	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 ¥'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Industrial goods and services (continued)</b>			
2,308,300 Dip Corp.	5,406,136	0.64	
6,886,800 East Japan Railway Co.	24,858,644	2.95	
1,867,100 FANUC Corp.	7,739,266	0.92	
1,267,600 Fuji Electric Co. Ltd.	11,822,684	1.40	
6,936,800 Hitachi Ltd.	27,784,819	3.29	
5,541,100 Kanadevia Corp.	5,448,889	0.65	
6,585,800 Keisei Electric Railway Co. Ltd.	8,927,561	1.06	
111,100 Keyence Corp.	6,259,757	0.74	
4,698,900 Mitsubishi Electric Corp.	16,600,364	1.97	
2,535,500 Mitsubishi Heavy Industries Ltd.	9,473,139	1.12	
9,433,400 Mitsui & Co. Ltd.	32,145,393	3.81	
3,720,000 Open Up Group, Inc.	6,803,182	0.81	
1,781,700 Recruit Holdings Co. Ltd.	15,118,428	1.79	
3,895,200 TDK Corp.	7,435,710	0.88	
3,878,700 Ushio, Inc.	8,319,229	0.99	
3,047,600 West Japan Railway Co.	10,026,237	1.19	
3,122,700 Yamato Holdings Co. Ltd.	7,778,403	0.92	
<b>Insurance</b>	<b>8,866,568</b>	<b>1.05</b>	<b>1.11</b>
7,307,000 Dai-ichi Life Holdings, Inc.	8,866,568	1.05	
<b>Personal care, drug and grocery stores</b>	<b>28,203,158</b>	<b>3.34</b>	<b>4.56</b>
14,783,200 Seven & i Holdings Co. Ltd.	28,203,158	3.34	
<b>Real estate</b>	<b>47,291,051</b>	<b>5.61</b>	<b>4.86</b>
7,896,500 Mitsubishi Estate Co. Ltd.	24,898,519	2.95	
14,296,900 Mitsui Fudosan Co. Ltd.	22,392,532	2.66	
<b>Retail</b>	<b>8,108,515</b>	<b>0.96</b>	<b>0.00</b>
175,300 Fast Retailing Co. Ltd.	8,108,515	0.96	
<b>Technology</b>	<b>101,911,384</b>	<b>12.08</b>	<b>13.79</b>
4,849,200 Fujitsu Ltd.	17,266,451	2.05	
4,344,300 Murata Manufacturing Co. Ltd.	10,481,850	1.24	
4,384,200 NEC Corp.	19,695,168	2.33	
5,778,800 Renesas Electronics Corp.	10,070,216	1.19	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 ¥'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Technology (continued)</b>			
6,965,000 Rohm Co. Ltd.	15,092,037	1.79	
745,900 SCREEN Holdings Co. Ltd.	8,400,382	1.00	
3,521,200 Taiyo Yuden Co. Ltd.	10,588,331	1.26	
505,500 Tokyo Electron Ltd.	10,316,949	1.22	
<b>Telecommunications</b>	<b>60,911,204</b>	<b>7.22</b>	<b>6.04</b>
178,143,400 NTT, Inc.	27,726,682	3.29	
2,065,200 SoftBank Group Corp.	33,184,522	3.93	
<b>Derivatives</b>	<b>4,601</b>	<b>0.00</b>	<b>0.00</b>
<b>Forwards for share class hedging</b>	<b>4,601</b>	<b>0.00</b>	<b>0.00</b>
Bought GBP2,057,392 for JPY402,868,372 Settlement 10/09/2025	4,561	0.00	
Sold GBP98,669 for JPY19,579,457 Settlement 10/09/2025	40	0.00	
<b>Total portfolio</b>	<b>839,098,510</b>	<b>99.48</b>	<b>99.77</b>
<b>Net other assets/(liabilities)</b>	<b>4,381,255</b>	<b>0.52</b>	<b>0.23</b>
<b>Net assets attributable to shareholders</b>	<b>843,479,765</b>	<b>100.00</b>	<b>100.00</b>

All securities are on an official stock exchange listing except where referenced.  
The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 August 2025

Largest purchases	¥'000
Toyota Motor Corp.	39,857,665
Mizuho Financial Group, Inc.	22,704,453
East Japan Railway Co.	19,119,117
Fujitsu Ltd.	17,599,681
Daiichi Sankyo Co. Ltd.	17,516,410
Seven & i Holdings Co. Ltd.	14,673,943
SoftBank Group Corp.	12,571,123
Japan Post Bank Co. Ltd.	11,454,876
Yakult Honsha Co. Ltd.	11,302,822
West Japan Railway Co.	10,218,090
Other purchases	200,290,101
<b>Total purchases</b>	<b>377,308,281</b>

Largest sales	¥'000
Mitsubishi UFJ Financial Group, Inc.	26,633,371
Toyota Motor Corp.	23,416,825
SoftBank Group Corp.	19,768,645
NTT Data Group Corp.	18,587,528
Sumitomo Forestry Co. Ltd.	17,500,037
Seven & i Holdings Co. Ltd.	15,760,688
Sanrio Co. Ltd.	15,719,184
Honda Motor Co. Ltd.	13,612,813
Sony Group Corp.	12,950,332
FUJIFILM Holdings Corp.	9,144,627
Other sales	156,692,489
<b>Total sales</b>	<b>329,786,539</b>

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

# Financial highlights

## Fund performance

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

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

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

## Long-term performance by share class

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

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+11.7	+12.4	+13.7	+9.5
Class 'A' Accumulation	+11.7	+12.4	+13.7	+9.5
Class 'I' Income	+12.1	+12.8	+14.2	+10.1
Class 'I' Accumulation	+12.1	+12.8	+14.2	+10.1
Class 'I-H' Accumulation	+20.6	n/a	n/a	n/a
Class 'PP' Income	+12.2	+12.9	+14.3	n/a
Class 'PP' Accumulation	+12.2	+12.9	+14.3	n/a
Class 'PP-H' Accumulation	+20.6	n/a	n/a	n/a
Class 'R' Income	+11.9	+12.5	+13.9	+9.8
Class 'R' Accumulation	+11.8	+12.5	+13.9	+9.8
<b>Benchmark</b>	<b>+10.3</b>	<b>+10.7</b>	<b>+8.9</b>	<b>+9.0</b>

<sup>a</sup> Not annualised.

## Specific share class performance

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

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

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



# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 9 May 1977.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	75.34	66.86	61.52
Return before operating charges*	9.47	10.48	7.23
Operating charges	(0.67)	(0.63)	(0.57)
Return after operating charges*	8.80	9.85	6.66
Distributions	(1.64)	(1.37)	(1.32)
Closing NAV	82.50	75.34	66.86
*after direct transaction cost of	0.02	0.02	0.03
<b>Performance</b>			
Return after charges (%)	11.68	14.73	10.83
<b>Other information</b>			
Closing NAV (¥'000)	20,350,106	16,760,971	16,908,397
Number of shares	124,464,325	116,255,110	136,672,256
Operating charges (%)	0.89	0.91	0.95
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	84.71	79.36	70.15
Lowest share price (UK p)	65.36	65.34	57.57

## Sterling Class 'A' Accumulation shares

The share class was launched on 6 April 1971.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	98.90	86.18	77.72
Return before operating charges*	12.50	13.54	9.19
Operating charges	(0.88)	(0.82)	(0.73)
Return after operating charges*	11.62	12.72	8.46
Distributions	(1.28)	(0.93)	(0.94)
Retained distributions	1.28	0.93	0.94
Closing NAV	110.52	98.90	86.18
*after direct transaction cost of	0.02	0.02	0.04
<b>Performance</b>			
Return after charges (%)	11.75	14.76	10.89
<b>Other information</b>			
Closing NAV (¥'000)	1,801,482	2,076,551	1,693,672
Number of shares	8,224,503	10,971,113	10,621,808
Operating charges (%)	0.89	0.91	0.95
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	112.27	103.13	89.53
Lowest share price (UK p)	86.62	84.25	72.74

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	3,102.28	2,742.38	2,513.17
Return before operating charges*	391.58	431.22	297.14
Operating charges	(15.19)	(14.84)	(13.82)
Return after operating charges*	376.39	416.38	283.32
Distributions	(67.67)	(56.48)	(54.11)
Closing NAV	3,411.00	3,102.28	2,742.38
*after direct transaction cost of	0.67	0.74	1.45
<b>Performance</b>			
Return after charges (%)	12.13	15.18	11.27
<b>Other information</b>			
Closing NAV (¥'000)	47,396,787	33,934,355	10,491,859
Number of shares	7,011,161	5,715,703	2,067,717
Operating charges (%)	0.49	0.51	0.54
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	3,502.13	3,262.35	2,874.62
Lowest share price (UK p)	2,697.85	2,681.52	2,352.88

## Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	3,849.38	3,342.44	3,001.04
Return before operating charges*	488.38	525.01	358.06
Operating charges	(18.90)	(18.07)	(16.66)
Return after operating charges*	469.48	506.94	341.40
Distributions	(65.39)	(50.74)	(48.45)
Retained distributions	65.39	50.74	48.45
Closing NAV	4,318.86	3,849.38	3,342.44
*after direct transaction cost of	0.83	0.93	1.75
<b>Performance</b>			
Return after charges (%)	12.20	15.17	11.38
<b>Other information</b>			
Closing NAV (¥'000)	139,960,139	124,705,606	74,771,185
Number of shares	16,351,484	16,928,005	12,090,310
Operating charges (%)	0.49	0.51	0.54
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	4,386.75	4,007.01	3,467.80
Lowest share price (UK p)	3,379.38	3,267.87	2,810.31

# Financial highlights

## Sterling Class 'I-H' Accumulation shares

The share class was launched on 14 June 2023.

for the year/period to 31 August	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	125.49	101.87	100.00
Return before operating charges*	26.59	24.26	2.00
Operating charges	(0.68)	(0.64)	(0.13)
Return after operating charges*	25.91	23.62	1.87
Distributions	(2.16)	(1.62)	(0.05)
Retained distributions	2.16	1.62	0.05
Closing NAV	151.40	125.49	101.87
*after direct transaction cost of	0.03	0.03	0.01
<b>Performance</b>			
Return after charges (%)	20.65	23.19	1.87
<b>Other information</b>			
Closing NAV (¥'000)	283,765	184,998	3,782
Number of shares	945,671	770,302	20,063
Operating charges (%)	0.52	0.53	0.57
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	154.61	137.57	102.58
Lowest share price (UK p)	110.68	98.30	97.45

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	143.26	126.52	115.83
Return before operating charges*	18.11	19.90	13.72
Operating charges	(0.56)	(0.55)	(0.54)
Return after operating charges*	17.55	19.35	13.18
Distributions	(3.13)	(2.61)	(2.49)
Closing NAV	157.68	143.26	126.52
*after direct transaction cost of	0.03	0.03	0.07
<b>Performance</b>			
Return after charges (%)	12.25	15.29	11.38
<b>Other information</b>			
Closing NAV (¥'000)	492,729,866	386,247,809	137,738,738
Number of shares	1,576,741,392	1,408,765,573	588,404,534
Operating charges (%)	0.39	0.41	0.44
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	161.89	150.59	132.59
Lowest share price (UK p)	124.66	123.73	108.46

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	166.88	144.75	129.84
Return before operating charges*	21.21	22.76	15.51
Operating charges	(0.65)	(0.63)	(0.60)
Return after operating charges*	20.56	22.13	14.91
Distributions	(3.01)	(2.36)	(2.23)
Retained distributions	3.01	2.36	2.23
Closing NAV	187.44	166.88	144.75
*after direct transaction cost of	0.04	0.04	0.08
<b>Performance</b>			
Return after charges (%)	12.32	15.29	11.48
<b>Other information</b>			
Closing NAV (¥'000)	139,913,795	118,383,944	65,597,700
Number of shares	376,626,082	370,685,002	244,919,163
Operating charges (%)	0.39	0.41	0.44
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	190.39	173.63	150.15
Lowest share price (UK p)	146.59	141.55	121.60

# Financial highlights

## Sterling Class 'PP-H' Accumulation shares

The share class was launched on 14 June 2023.

for the year/period to 31 August	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	124.61	100.12	100.00
Return before operating charges*	26.38	25.02	0.22
Operating charges	(0.56)	(0.53)	(0.10)
Return after operating charges*	25.82	24.49	0.12
Distributions	(2.28)	(1.75)	(0.07)
Retained distributions	2.28	1.75	0.07
Closing NAV	150.43	124.61	100.12
*after direct transaction cost of	0.03	0.03	0.01
<b>Performance</b>			
Return after charges (%)	20.72	24.46	0.12
<b>Other information</b>			
Closing NAV (¥'000)	108,735	7,203	3,707
Number of shares	364,715	30,205	20,010
Operating charges (%)	0.42	0.43	0.47
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	153.64	137.86	102.65
Lowest share price (UK p)	109.95	98.42	97.46

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	303.51	269.24	247.12
Return before operating charges*	38.22	41.94	29.37
Operating charges	(2.25)	(2.14)	(1.94)
Return after operating charges*	35.97	39.80	27.43
Distributions	(6.61)	(5.53)	(5.31)
Closing NAV	332.87	303.51	269.24
*after direct transaction cost of	0.07	0.08	0.14
<b>Performance</b>			
Return after charges (%)	11.85	14.78	11.10
<b>Other information</b>			
Closing NAV (¥'000)	153,640	81,260	68,482
Number of shares	232,889	139,898	137,466
Operating charges (%)	0.74	0.76	0.80
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	341.80	319.53	282.10
Lowest share price (UK p)	263.55	262.91	231.28

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	373.66	325.28	292.79
Return before operating charges*	47.32	50.98	34.80
Operating charges	(2.77)	(2.60)	(2.31)
Return after operating charges*	44.55	48.38	32.49
Distributions	(5.40)	(4.05)	(3.99)
Retained distributions	5.40	4.05	3.99
Closing NAV	418.21	373.66	325.28
*after direct transaction cost of	0.08	0.09	0.17
<b>Performance</b>			
Return after charges (%)	11.92	14.87	11.10
<b>Other information</b>			
Closing NAV (¥'000)	781,450	601,205	429,153
Number of shares	942,823	840,728	713,060
Operating charges (%)	0.74	0.76	0.80
Direct transaction costs (%)	0.02	0.03	0.06
<b>Prices</b>			
Highest share price (UK p)	424.81	389.41	337.66
Lowest share price (UK p)	327.56	317.90	274.08

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 August		2025		2024	
	Note	¥'000	¥'000	¥'000	¥'000
<b>Income</b>					
Net capital gains/(losses)	3		110,035,090		78,482,586
Revenue	5	17,406,637		10,625,062	
Expenses	6	(3,129,761)		(2,380,913)	
Interest payable and similar charges		(1,172)		(23,114)	
Net revenue/(expense) before taxation		14,275,704		8,221,035	
Taxation	7	(1,740,488)		(1,062,286)	
Net revenue/(expense) after taxation			12,535,216		7,158,749
<b>Total return before distributions</b>			<b>122,570,306</b>		<b>85,641,335</b>
Distributions	8		(14,508,249)		(8,580,333)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>108,062,057</b>		<b>77,061,002</b>

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

for the year to 31 August		2025		2024	
		¥'000	¥'000	¥'000	¥'000
<b>Opening net assets attributable to shareholders</b>			<b>682,983,902</b>		<b>307,706,675</b>
Amounts received on issue of shares		169,228,580		332,310,726	
Amounts paid on cancellation of shares		(121,363,854)		(37,721,717)	
			47,864,726		294,589,009
Dilution adjustments			111,702		439,537
Change in net assets attributable to shareholders from investment activities (see above)			108,062,057		77,061,002
Retained distributions on Accumulation shares			4,456,546		3,187,032
Unclaimed distributions			832		647
<b>Closing net assets attributable to shareholders</b>			<b>843,479,765</b>		<b>682,983,902</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 August	Note	2025 ¥'000	2024 ¥'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		839,098,510	681,430,454
<b>Current assets</b>			
Debtors	9	4,270,686	3,097,999
Cash and bank balances	10	11,764,027	9,969,216
<b>Total assets</b>		<b>855,133,223</b>	<b>694,497,669</b>
<b>Liabilities</b>			
Investment liabilities		0	(5)
<b>Creditors</b>			
Distribution payable		(6,070,662)	(4,470,934)
Other creditors	11	(5,582,796)	(7,042,828)
<b>Total liabilities</b>		<b>(11,653,458)</b>	<b>(11,513,767)</b>
<b>Net assets attributable to shareholders</b>		<b>843,479,765</b>	<b>682,983,902</b>



# Financial statements and notes

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

The fund's functional and presentational currency is Japanese yen as this better reflects the currency of its primary economic environment.

### 2 Distribution policy

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

### 3 Net capital gains/(losses)

for the year to 31 August	2025 ¥'000	2024 ¥'000
Non-derivative securities	110,144,930	78,308,703
Derivative contracts	20,916	72,250
Currency gains/(losses)	(130,756)	101,633
<b>Net capital gains/(losses)</b>	<b>110,035,090</b>	<b>78,482,586</b>

# Financial statements and notes

## 4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 August	2025 ¥'000	% of transaction	2024 ¥'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	377,212,249		434,324,165	
Commissions	96,032	0.03	100,310	0.02
<b>Total purchases after transaction costs</b>	<b>377,308,281</b>		<b>434,424,475</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	329,849,478		134,572,001	
Commissions	(62,939)	0.02	(37,397)	0.03
<b>Total sales after transaction costs</b>	<b>329,786,539</b>		<b>134,534,604</b>	
	2025 ¥'000	% of average NAV	2024 ¥'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	158,971	0.02	137,707	0.03
<b>Total direct portfolio transaction costs</b>	<b>158,971</b>	<b>0.02</b>	<b>137,707</b>	<b>0.03</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.21		0.36

## 5 Revenue

for the year to 31 August	2025 ¥'000	2024 ¥'000
Bank interest	1,760	2,199
Dividends from equity investments: non-taxable	17,404,877	10,622,863
<b>Total revenue</b>	<b>17,406,637</b>	<b>10,625,062</b>

# Financial statements and notes

## 6 Expenses

for the year to 31 August	2025 ¥'000	2024 ¥'000
<b>Payable to the ACD or associate</b>		
Annual charge	3,129,761	2,380,913
<b>Total expenses</b>	<b>3,129,761</b>	<b>2,380,913</b>

Audit fees for the financial year ending 2025 were £12,000 (2024: £12,000) (including VAT), which are covered by the annual charge.

## 7 Taxation

for the year to 31 August	2025 ¥'000	2024 ¥'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	1,740,488	1,062,286
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>1,740,488</b>	<b>1,062,286</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	14,275,704	8,221,035
Corporation tax at 20%	2,855,141	1,644,207
<b>Effects of:</b>		
Revenue: non-taxable	(3,480,975)	(2,124,573)
Current year expenses not utilised	625,834	480,366
Withholding tax	1,740,488	1,062,286
<b>Total tax charge (note 7a)</b>	<b>1,740,488</b>	<b>1,062,286</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset of ¥2,556,482,000 (2024: ¥1,930,648,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

# Financial statements and notes

## 8 Distributions

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

for the year to 31 August	2025		2024	
	Inc	Acc	Inc	Acc
	¥'000	¥'000	¥'000	¥'000
<b>Dividend distributions</b>				
Interim	4,492,636	1,980,353	2,840,885	1,254,599
Final	6,070,662	2,476,193	4,470,934	1,932,433
<b>Total net distributions</b>	<b>15,019,844</b>		<b>10,498,851</b>	
Income deducted on cancellation of shares		939,721		254,569
Income received on issue of shares		(1,451,316)		(2,173,087)
<b>Distributions</b>	<b>14,508,249</b>		<b>8,580,333</b>	
Net revenue/(expense) per statement of total return	12,535,216		7,158,749	
Expenses offset against capital	1,973,149		1,421,562	
Undistributed income brought forward		149		171
Undistributed income carried forward		(265)		(149)
<b>Distributions</b>	<b>14,508,249</b>		<b>8,580,333</b>	

## 9 Debtors

as at 31 August	2025	2024
	¥'000	¥'000
Amounts receivable on issues of shares	874,488	981,487
Currency deals outstanding	2,535,693	889
Dividends receivable	860,505	1,044,459
Sales awaiting settlement	0	1,071,164
<b>Total debtors</b>	<b>4,270,686</b>	<b>3,097,999</b>

## 10 Cash and bank balances

as at 31 August	2025	2024
	¥'000	¥'000
Cash held as bank balances	11,764,027	9,969,216
<b>Total cash and bank balances</b>	<b>11,764,027</b>	<b>9,969,216</b>

# Financial statements and notes

## 11 Other creditors

as at 31 August	2025 ¥'000	2024 ¥'000
Amounts payable on cancellation of shares	2,943,604	617,531
Annual charge payable	105,670	86,881
Currency deals outstanding	2,533,522	893
Purchases awaiting settlement	0	6,337,523
<b>Total other creditors</b>	<b>5,582,796</b>	<b>7,042,828</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

## 13 Shares in issue

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

Share class	Opening 01.09.24	Issued	Movements Cancelled	Converted	Closing 31.08.25
<b>Sterling</b>					
Class 'A' Income	116,255,110	9,602,917	(1,393,702)	0	124,464,325
Class 'A' Accumulation	10,971,113	1,094,823	(3,841,433)	0	8,224,503
Class 'I' Income	5,715,703	2,380,609	(1,085,151)	0	7,011,161
Class 'I' Accumulation	16,928,005	3,672,120	(4,248,641)	0	16,351,484
Class 'I-H' Accumulation	770,302	542,394	(367,025)	0	945,671
Class 'PP' Income	1,408,765,573	321,241,899	(153,266,080)	0	1,576,741,392
Class 'PP' Accumulation	370,685,002	112,443,543	(106,502,463)	0	376,626,082
Class 'PP-H' Accumulation	30,205	341,523	(7,013)	0	364,715
Class 'R' Income	139,898	128,927	(35,936)	0	232,889
Class 'R' Accumulation	840,728	312,030	(209,935)	0	942,823

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

# Financial statements and notes

## 14 Charging structure

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

Share class	Annual charge %
<b>Sterling</b>	
Class 'A'	0.95
Class 'I'	0.55
Class 'I-H'	0.58
Class 'PP'	0.45
Class 'PP-H'	0.48
Class 'R'	0.80

## 15 Related parties

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

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 5.74% (2024: 5.87%) of the fund's shares.

## 16 Fair value analysis

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

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

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

### Level 2: Valuation technique using observable market data

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

# Financial statements and notes

## Level 3: Valuation technique using unobservable inputs

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

as at 31 August	Assets 2025 ¥'000	Liabilities 2025 ¥'000	Assets 2024 ¥'000	Liabilities 2024 ¥'000
Basis of valuation				
Level 1	839,093,909	0	681,427,237	0
Level 2	4,601	0	3,217	(5)
Level 3	0	0	0	0
	<b>839,098,510</b>	<b>0</b>	<b>681,430,454</b>	<b>(5)</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

## 18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by ¥41,954,926,000 (2024:¥34,071,522,000). A five per cent decrease would have an equal and opposite effect.

## 19 Currency risk sensitivity and exposure

Currency risk is not considered significant for the fund and is therefore not disclosed.

## 20 Interest rate risk sensitivity and exposure

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

## 21 Credit risk

The fund is exposed to credit risk through derivative positions with counterparties.

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

as at 31 August 2025	Forwards ¥'000
State Street Bank	4,601
<b>Total</b>	<b>4,601</b>

as at 31 August 2024	Forwards ¥'000
State Street Bank	3,212
<b>Total</b>	<b>3,212</b>

# Financial statements and notes

## 22 Exchange rate risk for hedged share classes

This fund contains hedged share classes. These share classes operate currency hedges designed to reduce the impact of exchange rates in certain circumstances. As a result, profit and loss on the currency hedges may impact the liquidity of the overall fund. On a day to day basis this is monitored using reporting from the outsourced provider of the hedged share class service. On an ongoing basis the size of the hedged share classes is monitored to ensure that unforeseen exchange rate volatility can be adequately managed without significantly impacting all shareholders. The exposure to forward currency contracts for share class hedging at the year-end accounting date is disclosed in the portfolio statement on page 124.

## 23 Dividend distribution tables

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

### Semi-annual distribution periods

	Start	End	Xd	Payment
Interim	01.09.24	28.02.25	03.03.25	30.04.25
Final	01.03.25	31.08.25	01.09.25	31.10.25

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

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

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

### Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	0.1920	0.5537	0.7457	0.6028
Final	0.1382	0.7568	0.8950	0.7721

### Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	0.0240	0.5046	0.5286	0.3775
Final	0.0194	0.7290	0.7484	0.5569



# Financial statements and notes

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	6.6172	24.1074	30.7246	24.7365
Final	6.5813	30.3641	36.9454	31.7465

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	3.4562	25.0062	28.4624	21.3517
Final	5.6548	31.2700	36.9248	29.3927

## Sterling Class 'I-H' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	0.1801	0.7197	0.8998	0.6738
Final	0.3033	0.9569	1.2602	0.9496

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	0.3407	1.0783	1.4190	1.1414
Final	0.3283	1.3789	1.7072	1.4655

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	0.1960	1.1235	1.3195	0.9975
Final	0.1783	1.5074	1.6857	1.3578

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## Sterling Class 'PP-H' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	0.0607	0.8994	0.9601	0.7302
Final	0.0519	1.2675	1.3194	1.0154

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	2.4051	0.5999	3.0050	2.4253
Final	0.3620	3.2471	3.6091	3.1089

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
Interim	0.2199	2.0644	2.2843	1.6692
Final	0.0000	3.1109	3.1109	2.3853

## 24 Events after the balance sheet date

Between 31 August 2025 and 31 October 2025 the value of investments has risen. For further details on the share class movements, please refer to the below table:

Net asset	31.08.25	31.10.25	% Change
<b>Sterling</b>			
Class 'A' Income	82.50	92.11	11.64
Class 'A' Accumulation	110.52	123.38	11.64
Class 'I' Income	3,411.00	3,810.67	11.72
Class 'I' Accumulation	4,318.86	4,824.77	11.71
Class 'I-H' Accumulation	151.40	173.49	14.59
Class 'PP' Income	157.68	176.19	11.74
Class 'PP' Accumulation	187.44	209.40	11.72
Class 'PP-H' Accumulation	150.43	172.46	14.65
Class 'R' Income	332.87	371.73	11.67
Class 'R' Accumulation	418.21	467.00	11.67

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2025 has been used.

## Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the 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. For details of the risk management policies, please refer to pages 12 to 14.

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 year ended 31 August 2025

### Performance against objective

Between 1 September 2024 and 31 August 2025 (the period under review), the fund delivered positive returns across all its share classes, but trailed its benchmark, the Russell/Nomura Mid-Small Cap Index, which gained 14.8% over the same period.

Over five years, the fund generated an annualised positive return across its share classes and outperformed the benchmark, which returned 7.8% pa over the period. Therefore, the fund achieved its objective to provide a higher total return (the 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

Early in the review period, the Japanese stockmarket experienced turbulence after the August 'flash crash' and the ruling Liberal Democrats (LDP) selected Shigeru Ishiba as the new Prime Minister. The asset class experienced some selling pressure as momentum trades moved away.

The main narrative prior to April 2025 has been global macro and geopolitical concerns. A resurgent US dollar, sticky global inflation, and hawkish signals from the US Federal Reserve (Fed) have kept risk assets somewhat in check worldwide in the last year or so, and Japan has not been immune. Investors have long since viewed Japan as a levered play on global growth. Whilst we are less convinced that this remains the case today, this investor muscle-memory is real. As such, growing concerns over global growth and geopolitics have undermined Japanese equities in the last year, we feel. Forward earnings-per-share estimates as of the end of the first quarter of 2025 are approximately 11% higher than a year prior and evidence of ongoing self-improvement continues to abound, but the market has been flat in local currency terms. Implicitly, investors have been modestly nervous about the earnings estimates/outlook. This is not particularly surprising given political uncertainties, the tariff issue and the potential for yen strength. Of course, the longer the market goes sideways whilst fundamental earnings power improves, the better the prospective return, other things being equal.

Closer to home, the Bank of Japan's exit from negative interest rates – whilst modest and well-telegraphed – has reignited debate about the implications for asset valuations, funding costs, and currency dynamics. But these are tactical headwinds, not structural flaws. Real interest rates are still negative and inflation, while elevated by Japan's standards, is largely being driven by benign forces: wage growth, mild pricing power, and ongoing economic normalisation. This is not a country

# Authorised Corporate Director's Report

fighting to escape deflation anymore; it is a country learning how to manage a new equilibrium.

In Q2, the 'Liberation Day' volatility came and went, but market fragility remains, shaped by shifting geopolitics, tariff brinkmanship, and a persistent failure of the macro consensus. Looking back, market conditions during the second quarter of 2025 seemed to be defined more by reflex and relief than by conviction or confidence. The rally from April's lows reflects a collective exhale following extreme policy-driven dislocation instead of a constructive view of the prospective investment landscape.

Markets have been in a 'high volatility of volatility' environment for a while now, and it appears that 'crisis fatigue' is setting in. This is a double-edged sword. On the one hand, it may blunt prospective volatility in the face of new policy curveballs. On the other hand, it may lead to complacency. The economy suffers when the policy arena is seen to be dominated more by noise than information.

Coming into the second half of 2025, the stock picking environment has improved considerably as the market experienced crisis fatigue and resumed 'normal operation'. Our fund performance benefited from this.

Over the 12-month period, the fund generated a positive return, but underperformed its benchmark. The fund aims to largely invest in smaller companies across the corporate sector but the benchmark has a higher weighting to larger cap names. This discrepancy means that the fund struggled in a large-cap led market.

Stock selection held back relative performance with PeptiDream being the largest detractor. PeptiDream shares declined at the start of the year amid market concern around earnings guidance. While proving better than expected, this positive surprise was not reflected in subsequent share price performance.

Other names that detracted included CKD, a manufacturer of factory automation machinery, including integrated circuit production equipment; and Hino Motors, a Japanese manufacturer of commercial vehicles and diesel engines. Hino Motors was

unfortunately hit with negative news relating to its upcoming merger. This highlights the risk that remains with corporate governance and the commerciality of Japanese companies. We exited our position in Hino Motors in June.

Conversely, the fund's top individual contributor was Mitsubishi Logisnext, one of the largest forklift makers in the world. Following the strong share price move on reports around the parent potentially selling their majority stake in the first quarter of 2025, we made the decision to realise profits and exited Mitsubishi Logisnext in May, recycling capital into new ideas.

Other names that aided performance included Simplex Holdings and NET One Systems, both IT services management companies. Both delivered continued profit growth, supported by robust demand for digital transformation and the companies' strong competitive positioning.

## 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.

We have been active throughout the year and begun several new holdings, including Japan Post Bank, Horiba, Musashi Seimitsu Industry, Olympus, East Japan Railway, Renesas Electronics and Kitazato.

# Authorised Corporate Director's Report

We participated in the secondary offering of Japan Post Bank. The bank has a wide reach in Japan and provides diversification in the banking sector. We added Horiba as we feel the business offers an interesting product line-up and has valuable UK land, which adds margin of safety.

We also participated as a key investor in the IPO of Kitazato, a quality, leading global fertility company with attractive medium-term growth prospects. Shares performed strongly following its listing, making a positive contribution to portfolio returns during the second quarter.

These purchases were funded by some well-timed exits including NET One Systems, Axxzia, Hamamatsu Photonics, Suzuki Motor, Yamaha Motor, Nabtesco, Yaskawa Electric, YCP Holdings, and QD Laser.

We closed positions in Suzuki Motor and Yamaha Motor in May to reduce exposure in the auto sector as negative sentiment will likely persist in the nearer term.

## Outlook

In our view, the remainder of 2025 offers multiple paths which could be: stability with scepticism, where markets drift upwards on a lack of new policy landmines – but on thin conviction; policy overreach, where a misstep from central banks or trade officials could reignite volatility; and selective acceleration, where pockets of the market begin to re-rate as fundamentals outstrip fading macroeconomic noise.

Corporate Japan, meanwhile, continues to impress, in our opinion. Earnings grew by 9.8% this fiscal year, and companies announced a record ¥3.8 trillion in share buybacks this April – nearly triple the ¥1.3 trillion of a year ago, according to Morgan Stanley MUFG Research – Japan Equity Strategy, 4 June 2025. Japanese firms are set to repurchase 5% of their own shares, positioning themselves as the largest net buyers in the market.

With margins of safety restored and valuations turning attractive, Japanese equities are regaining global attention. Even before factoring in idiosyncratic upside, the backdrop is compelling, in our view. Fortunately,

company-specific dynamics remain strong, in our opinion – M&A, capital allocation and structural self-help are all accelerating. That plays directly to our strengths: selective stock picking in fertile ground.

## 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 31.08.25 ¥'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities</b>	<b>34,015,001</b>	<b>99.44</b>	<b>99.44</b>
<b>Automobiles and parts</b>	<b>3,213,276</b>	<b>9.39</b>	<b>8.85</b>
232,000 Aisin Corp.	565,707	1.65	
276,300 Honda Motor Co. Ltd.	450,726	1.32	
178,600 Musashi Seimitsu Industry Co. Ltd.	584,224	1.71	
155,700 Niterra Co. Ltd.	821,603	2.40	
127,896 REE Automotive Ltd.	13,062	0.04	
47,700 Toyota Industries Corp.	777,954	2.27	
<b>Banks</b>	<b>1,298,222</b>	<b>3.80</b>	<b>1.30</b>
426,000 Japan Post Bank Co. Ltd.	791,235	2.32	
120,800 Sumitomo Mitsui Trust Group, Inc.	506,987	1.48	
<b>Chemicals</b>	<b>2,561,648</b>	<b>7.49</b>	<b>5.57</b>
236,000 NOF Corp.	649,095	1.90	
152,200 Resonac Holdings Corp.	586,270	1.71	
236,100 T Hasegawa Co. Ltd.	699,448	2.05	
634,400 Toray Industries, Inc.	626,835	1.83	
<b>Consumer products and services</b>	<b>1,740,439</b>	<b>5.09</b>	<b>14.00</b>
298,900 Nikon Corp.	497,336	1.46	
575,200 Noritsu Koki Co. Ltd.	962,156	2.81	
167,700 Sumitomo Forestry Co. Ltd.	280,947	0.82	
<b>Financial services</b>	<b>2,005,278</b>	<b>5.86</b>	<b>4.77</b>
211,300 ORIX Corp.	806,230	2.36	
778,155 Sparx Group Co. Ltd.	1,199,048	3.50	
<b>Food, beverage and tobacco</b>	<b>1,353,857</b>	<b>3.96</b>	<b>3.19</b>
240,600 Morinaga & Co. Ltd.	642,320	1.88	
46,500 Toyo Suisan Kaisha Ltd.	471,635	1.38	
99,900 Yakult Honsha Co. Ltd.	239,902	0.70	
<b>Health care</b>	<b>1,435,831</b>	<b>4.20</b>	<b>2.42</b>
281,215 Kitazato Corp.	429,677	1.26	
200,900 Olympus Corp.	343,078	1.00	
444,201 PeptiDream, Inc.	663,076	1.94	
<b>Industrial goods and services</b>	<b>11,582,534</b>	<b>33.86</b>	<b>32.54</b>
162,600 Central Security Patrols Co. Ltd.	398,369	1.16	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 ¥'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Industrial goods and services (continued)</b>			
474,200 CKD Corp.	1,158,428	3.39	
221,900 Credit Saison Co. Ltd.	834,716	2.44	
407,000 Dip Corp.	953,211	2.79	
152,300 East Japan Railway Co.	549,743	1.61	
47,900 Horiba Ltd.	528,978	1.55	
790,200 Kanadevia Corp.	777,050	2.27	
433,500 Keisei Electric Railway Co. Ltd.	587,643	1.72	
165,000 Nankai Electric Railway Co. Ltd.	435,470	1.27	
1,121,700 Nippon Thompson Co. Ltd.	704,600	2.06	
352,200 Open Up Group, Inc.	644,108	1.88	
153,400 PILLAR Corp.	617,897	1.81	
198,700 SBS Holdings, Inc.	700,247	2.05	
41,100 Seibu Giken Co. Ltd.	68,912	0.20	
123,200 Shibaura Machine Co. Ltd.	512,159	1.50	
178,600 Sumitomo Bakelite Co. Ltd.	887,364	2.59	
265,200 Ushio, Inc.	568,814	1.66	
151,900 Yokogawa Electric Corp.	654,825	1.91	
<b>Personal care, drug and grocery stores</b>	<b>1,315,069</b>	<b>3.84</b>	<b>4.55</b>
94,400 Earth Corp.	489,189	1.43	
432,900 Seven & i Holdings Co. Ltd.	825,880	2.41	
<b>Real estate</b>	<b>2,125,078</b>	<b>6.21</b>	<b>4.14</b>
2,211,800 Ichigo, Inc.	958,743	2.80	
369,900 Mitsubishi Estate Co. Ltd.	1,166,335	3.41	
<b>Technology</b>	<b>5,120,902</b>	<b>14.97</b>	<b>16.71</b>
106,200 BIPROGY, Inc.	674,727	1.97	
126,800 NEC Corp.	569,624	1.67	
238,000 Nissha Co. Ltd.	319,238	0.93	
241,700 Renesas Electronics Corp.	421,190	1.23	
420,500 Rohm Co. Ltd.	911,156	2.67	
48,300 SCREEN Holdings Co. Ltd.	543,958	1.59	
161,300 Simplex Holdings, Inc.	733,227	2.14	



# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 ¥'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Technology (continued)</b>			
174,000 Taiyo Yuden Co. Ltd.	523,222	1.53	
189,000 Tazmo Co. Ltd.	424,560	1.24	
<b>Travel and leisure</b>	<b>262,867</b>	<b>0.77</b>	<b>1.40</b>
540,230 Skymark Airlines, Inc.	262,867	0.77	
<b>Total portfolio</b>	<b>34,015,001</b>	<b>99.44</b>	<b>99.44</b>
<b>Net other assets/(liabilities)</b>	<b>190,468</b>	<b>0.56</b>	<b>0.56</b>
<b>Net assets attributable to shareholders</b>	<b>34,205,469</b>	<b>100.00</b>	<b>100.00</b>

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

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

# Portfolio statement

## Top ten portfolio transactions for the year to 31 August 2025

Largest purchases	¥'000
Honda Motor Co. Ltd.	1,016,677
Sparx Group Co. Ltd.	889,740
Seven & i Holdings Co. Ltd.	847,936
Hino Motors Ltd.	818,463
Japan Post Bank Co. Ltd.	618,966
Resonac Holdings Corp.	598,178
NET One Systems Co. Ltd.	568,068
Yakult Honsha Co. Ltd.	515,262
Horiba Ltd.	514,346
East Japan Railway Co.	501,394
Other purchases	10,264,767
<b>Total purchases</b>	<b>17,153,797</b>

Largest sales	¥'000
Mitsubishi Logisnext Co. Ltd.	2,116,814
NET One Systems Co. Ltd.	1,418,498
NEC Corp.	1,070,269
Seven & i Holdings Co. Ltd.	956,067
Sumitomo Forestry Co. Ltd.	837,513
Suzuki Motor Corp.	769,221
Panasonic Holdings Corp.	753,030
Sanrio Co. Ltd.	701,557
Simplex Holdings, Inc.	657,446
Hino Motors Ltd.	600,702
Other sales	15,538,330
<b>Total sales</b>	<b>25,419,447</b>

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

# Financial highlights

## Fund performance

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

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

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

## Long-term performance by share class

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

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+6.1	+8.8	+14.2	+10.8
Class 'A' Accumulation	+6.1	+8.8	+14.2	+10.8
Class 'I' Income	+6.5	+9.3	+14.6	+11.4
Class 'I' Accumulation	+6.5	+9.3	+14.6	+11.4
Class 'PP' Income	+6.6	+9.4	n/a	n/a
Class 'PP' Accumulation	+6.6	+9.4	n/a	n/a
Class 'R' Income	+6.3	+9.0	+14.3	+11.1
Class 'R' Accumulation	+6.2	+9.0	+14.3	+11.1
<b>Benchmark</b>	<b>+14.8</b>	<b>+10.3</b>	<b>+7.8</b>	<b>+8.4</b>

<sup>a</sup> Not annualised.

## Specific share class performance

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

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

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 15 May 1984.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	735.61	691.05	629.61
Return before operating charges*	53.10	67.76	82.60
Operating charges	(7.88)	(7.64)	(6.95)
Return after operating charges*	45.22	60.12	75.65
Distributions	(17.16)	(15.56)	(14.21)
Closing NAV	763.67	735.61	691.05
*after direct transaction cost of	0.16	0.24	0.28
<b>Performance</b>			
Return after charges (%)	6.15	8.70	12.02
<b>Other information</b>			
Closing NAV (¥'000)	760,461	729,033	721,864
Number of shares	502,451	517,859	564,565
Operating charges (%)	1.10	1.10	1.10
Direct transaction costs (%)	0.02	0.03	0.04
<b>Prices</b>			
Highest share price (UK p)	785.25	771.02	734.77
Lowest share price (UK p)	622.54	664.00	595.66

## Sterling Class 'A' Accumulation shares

The share class was launched on 15 May 1984.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	914.37	841.17	750.93
Return before operating charges*	65.94	82.50	98.50
Operating charges	(9.78)	(9.30)	(8.26)
Return after operating charges*	56.16	73.20	90.24
Distributions	(11.64)	(9.39)	(8.90)
Retained distributions	11.64	9.39	8.90
Closing NAV	970.53	914.37	841.17
*after direct transaction cost of	0.19	0.29	0.33
<b>Performance</b>			
Return after charges (%)	6.14	8.70	12.02
<b>Other information</b>			
Closing NAV (¥'000)	1,635,490	1,942,247	1,743,814
Number of shares	850,279	1,109,923	1,120,429
Operating charges (%)	1.10	1.10	1.10
Direct transaction costs (%)	0.02	0.03	0.04
<b>Prices</b>			
Highest share price (UK p)	976.02	938.52	876.55
Lowest share price (UK p)	773.78	808.25	710.59

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	3,760.67	3,518.58	3,192.88
Return before operating charges*	272.72	346.21	420.48
Operating charges	(25.69)	(24.72)	(22.59)
Return after operating charges*	247.03	321.49	397.89
Distributions	(87.88)	(79.40)	(72.19)
Closing NAV	3,919.82	3,760.67	3,518.58
*after direct transaction cost of	0.80	1.23	1.43
<b>Performance</b>			
Return after charges (%)	6.57	9.14	12.46
<b>Other information</b>			
Closing NAV (¥'000)	4,091,637	3,290,693	3,468,376
Number of shares	526,688	457,229	532,753
Operating charges (%)	0.70	0.70	0.70
Direct transaction costs (%)	0.02	0.03	0.04
<b>Prices</b>			
Highest share price (UK p)	4,030.32	3,934.50	3,737.85
Lowest share price (UK p)	3,190.22	3,382.92	3,022.35

## Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	4,608.74	4,223.81	3,754.88
Return before operating charges*	333.98	414.77	495.81
Operating charges	(31.39)	(29.84)	(26.88)
Return after operating charges*	302.59	384.93	468.93
Distributions	(76.55)	(64.70)	(59.25)
Retained distributions	76.55	64.70	59.25
Closing NAV	4,911.33	4,608.74	4,223.81
*after direct transaction cost of	0.98	1.48	1.70
<b>Performance</b>			
Return after charges (%)	6.57	9.11	12.49
<b>Other information</b>			
Closing NAV (¥'000)	19,021,778	26,185,654	23,298,692
Number of shares	1,954,223	2,968,877	2,981,214
Operating charges (%)	0.70	0.70	0.70
Direct transaction costs (%)	0.02	0.03	0.04
<b>Prices</b>			
Highest share price (UK p)	4,939.06	4,722.13	4,396.76
Lowest share price (UK p)	3,909.54	4,060.14	3,555.13

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 28 June 2021.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	120.19	112.34	101.84
Return before operating charges*	8.73	11.06	13.43
Operating charges	(0.71)	(0.67)	(0.63)
Return after operating charges*	8.02	10.39	12.80
Distributions	(2.81)	(2.54)	(2.30)
Closing NAV	125.40	120.19	112.34
*after direct transaction cost of	0.03	0.04	0.05
<b>Performance</b>			
Return after charges (%)	6.67	9.25	12.57
<b>Other information</b>			
Closing NAV (¥'000)	3,218,934	1,767,651	3,306,722
Number of shares	12,951,611	7,684,847	15,907,995
Operating charges (%)	0.60	0.60	0.60
Direct transaction costs (%)	0.02	0.03	0.04
<b>Prices</b>			
Highest share price (UK p)	128.94	125.69	119.32
Lowest share price (UK p)	102.02	108.03	96.42

## Sterling Class 'PP' Accumulation shares

The share class was launched on 28 June 2021.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	128.21	117.38	104.25
Return before operating charges*	9.30	11.55	13.76
Operating charges	(0.75)	(0.72)	(0.63)
Return after operating charges*	8.55	10.83	13.13
Distributions	(2.25)	(1.92)	(1.75)
Retained distributions	2.25	1.92	1.75
Closing NAV	136.76	128.21	117.38
*after direct transaction cost of	0.03	0.04	0.05
<b>Performance</b>			
Return after charges (%)	6.67	9.23	12.59
<b>Other information</b>			
Closing NAV (¥'000)	4,835,934	5,508,575	3,736,960
Number of shares	17,841,495	22,450,887	17,205,925
Operating charges (%)	0.60	0.60	0.60
Direct transaction costs (%)	0.02	0.03	0.04
<b>Prices</b>			
Highest share price (UK p)	137.54	131.31	122.17
Lowest share price (UK p)	108.82	112.85	98.72

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	368.42	345.57	314.37
Return before operating charges*	26.63	33.94	41.31
Operating charges	(3.41)	(3.30)	(3.01)
Return after operating charges*	23.22	30.64	38.30
Distributions	(8.60)	(7.79)	(7.10)
Closing NAV	383.04	368.42	345.57
*after direct transaction cost of	0.08	0.12	0.14
<b>Performance</b>			
Return after charges (%)	6.30	8.87	12.18
<b>Other information</b>			
Closing NAV (¥'000)	65,979	65,234	71,512
Number of shares	86,911	92,522	111,842
Operating charges (%)	0.95	0.95	0.95
Direct transaction costs (%)	0.02	0.03	0.04
<b>Prices</b>			
Highest share price (UK p)	393.86	385.88	367.32
Lowest share price (UK p)	312.06	332.12	297.48

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	447.07	410.74	366.06
Return before operating charges*	32.29	40.25	48.18
Operating charges	(4.13)	(3.92)	(3.50)
Return after operating charges*	28.16	36.33	44.68
Distributions	(6.34)	(5.22)	(4.88)
Retained distributions	6.34	5.22	4.88
Closing NAV	475.23	447.07	410.74
*after direct transaction cost of	0.10	0.14	0.16
<b>Performance</b>			
Return after charges (%)	6.30	8.85	12.21
<b>Other information</b>			
Closing NAV (¥'000)	575,256	573,911	551,951
Number of shares	610,770	670,782	726,266
Operating charges (%)	0.95	0.95	0.95
Direct transaction costs (%)	0.02	0.03	0.04
<b>Prices</b>			
Highest share price (UK p)	477.92	458.57	427.80
Lowest share price (UK p)	378.67	394.68	346.47

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 August		2025		2024	
	Note	¥'000	¥'000	¥'000	¥'000
<b>Income</b>					
Net capital gains/(losses)	3		2,480,306		4,879,408
Revenue	5	919,388		1,002,351	
Expenses	6	(239,763)		(293,804)	
Interest payable and similar charges		(55)		(2,388)	
Net revenue/(expense) before taxation		679,570		706,159	
Taxation	7	(91,934)		(100,225)	
Net revenue/(expense) after taxation			587,636		605,934
<b>Total return before distributions</b>			<b>3,067,942</b>		<b>5,485,342</b>
Distributions	8		(634,670)		(661,904)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,433,272</b>		<b>4,823,438</b>

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

for the year to 31 August		2025		2024	
		¥'000	¥'000	¥'000	¥'000
<b>Opening net assets attributable to shareholders</b>			<b>40,062,998</b>		<b>36,899,891</b>
Amounts received on issue of shares		4,205,169		12,501,618	
Amounts paid on cancellation of shares		(12,922,577)		(14,684,280)	
			(8,717,408)		(2,182,662)
Dilution adjustments			23,134		45,529
Change in net assets attributable to shareholders from investment activities (see above)			2,433,272		4,823,438
Retained distributions on Accumulation shares			403,466		476,785
Unclaimed distributions			7		17
<b>Closing net assets attributable to shareholders</b>			<b>34,205,469</b>		<b>40,062,998</b>



# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 August	Note	2025 ¥'000	2024 ¥'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		34,015,001	39,838,232
<b>Current assets</b>			
Debtors	9	110,564	444,503
Cash and bank balances	10	312,871	388,511
<b>Total assets</b>		<b>34,438,436</b>	<b>40,671,246</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(182,424)	(123,578)
Other creditors	11	(50,543)	(484,670)
<b>Total liabilities</b>		<b>(232,967)</b>	<b>(608,248)</b>
<b>Net assets attributable to shareholders</b>		<b>34,205,469</b>	<b>40,062,998</b>

# Financial statements and notes

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

The fund's functional and presentational currency is Japanese yen as this better reflects the currency of its primary economic environment.

### 2 Distribution policy

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

### 3 Net capital gains/(losses)

for the year to 31 August	2025 ¥'000	2024 ¥'000
Non-derivative securities	2,442,420	4,885,011
Currency gains/(losses)	37,886	(5,603)
<b>Net capital gains/(losses)</b>	<b>2,480,306</b>	<b>4,879,408</b>

# Financial statements and notes

## 4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 August	2025 ¥'000	% of transaction	2024 ¥'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	17,150,866		30,242,014	
Commissions	2,931	0.02	7,305	0.02
<b>Total purchases after transaction costs</b>	<b>17,153,797</b>		<b>30,249,319</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	24,180,998		31,441,570	
Commissions	(4,451)	0.02	(7,079)	0.02
<b>Equities after transaction costs</b>	<b>24,176,547</b>		<b>31,434,491</b>	
<b>Other transaction types</b>				
Corporate actions	1,242,900		0	
<b>Total sales after transaction costs</b>	<b>25,419,447</b>		<b>31,434,491</b>	
	2025 ¥'000	% of average NAV	2024 ¥'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	7,382	0.02	14,384	0.03
<b>Total direct portfolio transaction costs</b>	<b>7,382</b>	<b>0.02</b>	<b>14,384</b>	<b>0.03</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.33		0.45

## 5 Revenue

for the year to 31 August	2025 ¥'000	2024 ¥'000
Bank interest	48	103
Dividends from equity investments: non-taxable	919,340	1,002,248
<b>Total revenue</b>	<b>919,388</b>	<b>1,002,351</b>

# Financial statements and notes

## 6 Expenses

for the year to 31 August	2025 ¥'000	2024 ¥'000
<b>Payable to the ACD or associate</b>		
Annual charge	239,763	293,804
<b>Total expenses</b>	<b>239,763</b>	<b>293,804</b>

Audit fees for the financial year ending 2025 were £12,000 (2024: £12,000) (including VAT), which are covered by the annual charge.

## 7 Taxation

for the year to 31 August	2025 ¥'000	2024 ¥'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	91,934	100,225
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>91,934</b>	<b>100,225</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	679,570	706,159
Corporation tax at 20%	135,914	141,232
<b>Effects of:</b>		
Revenue: non-taxable	(183,868)	(200,450)
Current year expenses not utilised	47,954	59,218
Withholding tax	91,934	100,225
<b>Total tax charge (note 7a)</b>	<b>91,934</b>	<b>100,225</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset of ¥797,295,000 (2024: ¥749,341,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

# Financial statements and notes

## 8 Distributions

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

for the year to 31 August	2025		2024	
	Inc	Acc	Inc	Acc
	¥'000	¥'000	¥'000	¥'000
<b>Dividend distributions</b>				
Final	182,424	403,466	123,578	476,785
Total net distributions		585,890		600,363
Income deducted on cancellation of shares		110,792		155,123
Income received on issue of shares		(62,012)		(93,582)
<b>Distributions</b>		<b>634,670</b>		<b>661,904</b>
Net revenue/(expense) per statement of total return		587,636		605,934
Expenses offset against capital		47,034		55,971
Undistributed income brought forward		5		4
Undistributed income carried forward		(5)		(5)
<b>Distributions</b>		<b>634,670</b>		<b>661,904</b>

## 9 Debtors

as at 31 August	2025	2024
	¥'000	¥'000
Amounts receivable on issues of shares	8,969	30,086
Currency deals outstanding	16,010	191,201
Dividends receivable	78,260	102,611
Sales awaiting settlement	7,325	120,605
<b>Total debtors</b>	<b>110,564</b>	<b>444,503</b>

## 10 Cash and bank balances

as at 31 August	2025	2024
	¥'000	¥'000
Cash held as bank balances	312,871	388,511
<b>Total cash and bank balances</b>	<b>312,871</b>	<b>388,511</b>

# Financial statements and notes

## 11 Other creditors

as at 31 August	2025 ¥'000	2024 ¥'000
Amounts payable on cancellation of shares	27,111	268,503
Annual charge payable	7,404	8,574
Currency deals outstanding	16,028	191,160
Purchases awaiting settlement	0	16,433
<b>Total other creditors</b>	<b>50,543</b>	<b>484,670</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

## 13 Shares in issue

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

Share class	Opening 01.09.24	Issued	Movements Cancelled	Converted	Closing 31.08.25
<b>Sterling</b>					
Class 'A' Income	517,859	24,011	(39,419)	0	502,451
Class 'A' Accumulation	1,109,923	27,657	(287,301)	0	850,279
Class 'I' Income	457,229	134,762	(65,303)	0	526,688
Class 'I' Accumulation	2,968,877	103,389	(1,118,043)	0	1,954,223
Class 'PP' Income	7,684,847	8,811,884	(3,545,120)	0	12,951,611
Class 'PP' Accumulation	22,450,887	1,339,050	(5,948,442)	0	17,841,495
Class 'R' Income	92,522	12,049	(17,660)	0	86,911
Class 'R' Accumulation	670,782	68,028	(128,040)	0	610,770

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

# Financial statements and notes

## 14 Charging structure

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

Share class	Annual charge %
<b>Sterling</b>	
Class 'A'	1.10
Class 'I'	0.70
Class 'PP'	0.60
Class 'R'	0.95

## 15 Related parties

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

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 18.92% (2024: 0.24%) of the fund's shares.

## 16 Fair value analysis

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

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

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

### Level 2: Valuation technique using observable market data

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

# Financial statements and notes

## Level 3: Valuation technique using unobservable inputs

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

as at 31 August	Assets 2025 ¥'000	Liabilities 2025 ¥'000	Assets 2024 ¥'000	Liabilities 2024 ¥'000
Basis of valuation				
Level 1	34,015,001	0	39,838,232	0
Level 2	0	0	0	0
Level 3	0	0	0	0
	<b>34,015,001</b>	<b>0</b>	<b>39,838,232</b>	<b>0</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

## 18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by ¥1,700,750,000 (2024: ¥1,991,912,000). A five per cent decrease would have an equal and opposite effect.

## 19 Currency risk sensitivity and exposure

Currency risk is not considered significant for the fund and is therefore not disclosed.

## 20 Interest rate risk sensitivity and exposure

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

## 21 Credit risk

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

## 22 Dividend distribution tables

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

### Annual distribution period

	Start	End	Xd	Payment
Final	01.09.24	31.08.25	01.09.25	31.10.25

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

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

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income



# Financial statements and notes

Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

## Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	10.6799	6.4791	17.1590	15.5646

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	3.0594	8.5777	11.6371	9.3911

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	34.1342	53.7438	87.8780	79.3953

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	42.9184	33.6295	76.5479	64.7019

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	0.5255	2.2844	2.8099	2.5362

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	0.9436	1.3106	2.2542	1.9204

# Financial statements and notes

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	4.8160	3.7835	8.5995	7.7887

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	3.2434	3.0968	6.3402	5.2242

## 23 Events after the balance sheet date

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

# Authorised Corporate Director’s Report

For the purposes of these financial statements, the Prospectus dated 2 April 2025 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.

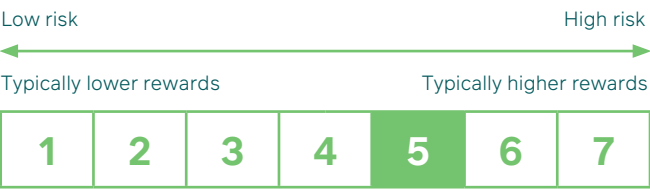
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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. For details of the risk management policies, please refer to pages 12 to 14.

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 2024 to 22 June 2025 the risk number was 6.

# Authorised Corporate Director's Report

## Investment review

For the year ended 31 August 2025

### Distribution summary

Over the 12-month review period to 31 August 2025, the fund distributed income of 60.0272 pence per sterling Class 'A' Income share. This represents a 15.6% increase from last year. The sterling Class 'I' Income share distributed 74.5518 pence, which is 16.1% higher than last year's payment. In US dollars, the currency in which the fund's income objective is determined, the distribution rose 18.2% from last year for the sterling Class 'A' Income share and 18.6% for the sterling Class 'I' Income share.

Despite concerns about the impact of tariffs on economic growth, the momentum in US dividends continued during the 12 months under review. Dividends provide a strong signal of corporate confidence, and corporate America remains resolute in its optimism. (Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.)

Against this backdrop, the fund benefited from higher dividends across a range of sectors. In contrast to previous years when the majority of holdings delivered dividend increases in the region of 5-15%, we continued to see an unusually high number of companies raising their dividends by 15% or more. Royal Caribbean rewarded shareholders with successive dividend increases of more than 30% as the cruise line company benefited from strong demand with minimal tariff risk. Vertiv, a provider of critical infrastructure and services for data centres, boosted its dividend by 50%, backed by a structural tailwind.

We continued to be encouraged by the robust dividend growth from the fund's largest holdings, many of which are technology-related companies. Microsoft extended its long sequence of dividend growth with a 10% increase, while Lam Research and Broadcom raised their dividends by 13% and 11%, respectively, in semiconductors.

Financials provided another source of impressive growth. Blue Owl Capital and ARES Management led the way as our holdings in alternative asset managers delivered dividend increases of 25% and 20%, respectively. In banks, JPMorgan Chase raised its dividend twice during the 12-month review period with a year-on-year growth rate of 20%. American Express and Mastercard boosted their dividends by 17% and 15%, respectively, while Progressive, an auto insurer, paid a special dividend in line with its cash return policy.

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

Strong dividend growth was also apparent in more economically sensitive sectors. Carrier Global, which is exposed to the housing market, raised its dividend by 18%, while Cheniere Energy, a provider of liquefied natural gas (LNG), and Texas Roadhouse, a restaurant chain, both delivered dividend increases of 11%.

There were no dividend cuts during the 12 months under review, but a handful of holdings delivered more modest levels of growth. Dividend increases of less than 5% from ONEOK in energy infrastructure, Lowe's in home improvement retail and Rexford Industrial Realty in real estate have scope to improve. We expect these outliers to step up their 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

# Authorised Corporate Director's Report

from the fact that many of our holdings are carrying net cash. While caution is prudent, we continue to believe that the fund is well placed to deliver on its objective of providing a rising income stream.

## Performance against objective

Between 1 September 2024 (the start of the review period) and 31 August 2025, the fund delivered a positive total return (the combination of income and growth of capital) across all its share classes, but underperformed the fund's benchmark, the S&P 500 Index, which returned 12.7% in sterling.

Over five years, the fund's performance followed a similar pattern: the fund generated positive returns across all its share classes, but underperformed the S&P 500 Index, which delivered an annualised return of 14.5% 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 delivered on the objective of growing the distribution every year in US dollars. The growth in distributed income for the financial year was 18.2% in US dollars for the sterling Class 'A' Income share and 18.6% in US dollars for the sterling Class 'I' Income share.

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 towards the end of the 12-month review period. The rally was far from smooth, however, as the threat of tariffs sent the markets spiralling to their lows in April, only for the sense of panic to prove short-lived. A swift rebound ensued, with technology leading the gains, as the prospect of interest-rate cuts fuelled optimism once again.

The so-called Magnificent Seven of new economy giants dominated the leaderboard: NVIDIA, the

standard bearer for Artificial Intelligence (AI), led the gains in technology, while Meta Platforms, the owner of Facebook, and Alphabet, the parent company of Google, rallied strongly in communication services. Tesla and Amazon.com delivered double-digit returns in consumer discretionary.

Financials and industrials outperformed among sectors with greater economic sensitivity, but energy and materials struggled. Defensive stocks remained out of favour, with healthcare as the leading laggard. Consumer staples and utilities also underperformed.

Against this backdrop, the fund generated a positive return but underperformed its benchmark, the S&P 500 Index, in a difficult market for dividend strategies. Sector allocation detracted, not helped by an overweight relative to the benchmark in healthcare.

UnitedHealth and Elevance Health provided the biggest drag on fund performance during a challenging time for the managed care industry. Despite the setback, we continue to believe in the demographic tailwind and managed care's crucial role in the US healthcare ecosystem. We added to both holdings on weakness.

NextEra Energy and Rexford Industrial Realty underperformed in utilities and real estate, respectively, as sentiment weighed on interest-rate sensitives. The long-term investment case for both stocks remains unchanged.

VF declined in consumer discretionary due to concerns about tariff risk. The apparel company, which owns brands including The North Face and Timberland, has significant exposure to global supply chains, but the market's reaction was overdone, in our view. The stock has recovered from its lows as tariff concerns eased but remains well below this year's peak.

Not owning NVIDIA provided a headwind for performance relative to the benchmark, although the fund benefited from its zero exposure to Apple.

Stock selection added value in technology, with Broadcom and Seagate Technology as the standout winners. The fund's outsized position in Meta Platforms also made a positive contribution.

# Authorised Corporate Director's Report

Royal Caribbean climbed to an all-time high, backed by strong fundamentals. Visa outperformed in digital payments, while Vertiv benefited from the structural growth in data centres.

## Investment activities

We made 12 new purchases and 11 complete sales during the 12-month review period, a level of turnover consistent with our long-term investment horizon of three to five years.

We were particularly active in financials where the new holdings included Blue Owl Capital in alternative asset managers and Allstate in insurance. We also bought Intercontinental Exchange and CME Group in exchanges. The fund's exposure to banks increased with the new purchase of Wells Fargo which is back on the growth path following the removal of the Federal Reserve's asset cap. Arthur J Gallagher and BlackRock were sold after their strong run. The fund's weighting in financials declined overall as we reduced Visa and Mastercard meaningfully into strength.

The weighting in consumer discretionary increased with the new purchases of Starbucks, VF and Royal Caribbean Cruises. We also bought Carrier Global, which has exposure to the housing market, but Sherwin-Williams, Pool, Rollins and Equifax were sold as a source of cash.

In technology, we initiated new holdings in Seagate Technology and Salesforce and completed the sale of CDW and Motorola Solutions. In semiconductors, we divested NXP Semiconductors and added to Lam Research. We reduced Broadcom into strength and bought more Microsoft and Meta Platforms on weakness.

Elsewhere, we bought Abbott Laboratories in healthcare and sold Canadian Pacific Kansas City, a railroads company. Among interest-rate sensitives, we exited American Tower, the owner and operator of wireless towers which is structured as a real estate investment trust (REIT), and added to NextEra Energy in utilities.

## Outlook

Dividend strategies are very much in the spotlight as investors seek to diversify away from the concentration in the US market and the dominance of the so-called Magnificent Seven. In that context, we would advocate an active approach to dividend investing given the biases associated with passive alternatives and the challenge presented by defensives, especially consumer staples, on fundamental grounds. The need to be selective is paramount, in our view. We have a clear preference for healthcare among defensives.

Our diversified approach to dividend investing gives us the flexibility to cope with different market conditions, but we are keen to ensure that we do not become complacent about the valuations attached to some of our strong performers. Putting our valuation discipline into practice, we have been active in our portfolio management, recycling proceeds from some of our winners into more attractive candidates, taking advantage of opportunities when they arise.

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

## John Weavers

Fund manager

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

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

# Portfolio statement

## Investments

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities</b>	<b>1,270,369</b>	<b>98.79</b>	<b>98.46</b>
<b>Banks</b>	<b>57,297</b>	<b>4.46</b>	<b>2.95</b>
112,558 JPMorgan Chase & Co.	33,802	2.63	
287,254 Wells Fargo & Co.	23,495	1.83	
<b>Chemicals</b>	<b>9,784</b>	<b>0.76</b>	<b>1.26</b>
275,991 Methanex Corp.	9,784	0.76	
<b>Construction and materials</b>	<b>19,901</b>	<b>1.55</b>	<b>0.00</b>
302,469 Carrier Global Corp.	19,901	1.55	
<b>Consumer products and services</b>	<b>15,723</b>	<b>1.22</b>	<b>1.47</b>
27,186 NIKE, Inc.	2,112	0.16	
921,568 VF Corp.	13,611	1.06	
<b>Energy</b>	<b>54,204</b>	<b>4.22</b>	<b>3.97</b>
39,086 Cheniere Energy, Inc.	9,451	0.74	
1,304,179 Gibson Energy, Inc.	24,405	1.90	
269,400 ONEOK, Inc.	20,348	1.58	
<b>Financial services</b>	<b>92,348</b>	<b>7.18</b>	<b>5.43</b>
254,241 ARES Management Corp.	45,644	3.55	
1,097,705 Blue Owl Capital, Inc.	20,375	1.58	
49,367 CME Group, Inc.	13,180	1.03	
74,295 Intercontinental Exchange, Inc.	13,149	1.02	
<b>Health care</b>	<b>191,474</b>	<b>14.89</b>	<b>16.35</b>
170,810 Abbott Laboratories	22,445	1.75	
151,918 AbbVie, Inc.	31,569	2.46	
132,136 Elevance Health, Inc.	40,879	3.18	
162,535 Merck & Co., Inc.	13,552	1.05	
52,712 Thermo Fisher Scientific, Inc.	25,736	2.00	
145,798 UnitedHealth Group, Inc.	43,914	3.41	
86,709 Zoetis, Inc.	13,379	1.04	
<b>Industrial goods and services</b>	<b>123,250</b>	<b>9.58</b>	<b>18.11</b>
83,848 Accenture PLC	21,384	1.66	
80,434 American Express Co.	26,195	2.04	
79,288 Mastercard, Inc.	46,746	3.63	
82,814 Visa, Inc.	28,925	2.25	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Insurance</b>	<b>39,635</b>	<b>3.08</b>	<b>4.25</b>
82,982 Allstate Corp.	16,893	1.31	
92,531 Progressive Corp.	22,742	1.77	
<b>Personal care, drug and grocery stores</b>	<b>20,620</b>	<b>1.60</b>	<b>1.06</b>
30,281 McKesson Corp.	20,620	1.60	
<b>Real estate</b>	<b>58,633</b>	<b>4.56</b>	<b>6.99</b>
37,972 Equinix, Inc.	29,785	2.32	
699,409 Rexford Industrial Realty, Inc.	28,848	2.24	
<b>Retail</b>	<b>35,642</b>	<b>2.77</b>	<b>2.71</b>
104,356 Lowe's Cos., Inc.	26,755	2.08	
142,777 Tractor Supply Co.	8,887	0.69	
<b>Technology</b>	<b>419,713</b>	<b>32.64</b>	<b>26.80</b>
178,227 Alphabet, Inc.	37,276	2.90	
131,297 Broadcom, Inc.	40,156	3.12	
47,237 Intuit, Inc.	31,428	2.44	
408,893 Lam Research Corp.	42,125	3.28	
102,078 Meta Platforms, Inc.	76,151	5.92	
235,443 Microsoft Corp.	119,593	9.30	
117,491 QUALCOMM, Inc.	18,740	1.46	
39,885 Salesforce, Inc.	10,131	0.79	
211,137 Seagate Technology Holdings PLC	36,324	2.82	
58,356 Vertiv Holdings Co.	7,789	0.61	
<b>Telecommunications</b>	<b>7,489</b>	<b>0.58</b>	<b>3.18</b>
200,661 Cogent Communications Holdings, Inc.	7,489	0.58	
<b>Travel and leisure</b>	<b>65,048</b>	<b>5.06</b>	<b>0.30</b>
125,268 Royal Caribbean Cruises Ltd.	45,639	3.55	
104,447 Starbucks Corp.	9,188	0.71	
59,469 Texas Roadhouse, Inc.	10,221	0.80	
<b>Utilities</b>	<b>59,608</b>	<b>4.64</b>	<b>3.63</b>
826,400 NextEra Energy, Inc.	59,608	4.64	



# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
Derivatives	298	0.02	0.04
<b>Forwards for share class hedging</b>	<b>298</b>	<b>0.02</b>	<b>0.04</b>
Bought GBP354,989 for CAD649,392 Settlement 10/09/2025	5	0.00	
Bought GBP19,175,454 for USD25,517,112 Settlement 10/09/2025	300	0.02	
Sold GBP571,824 for USD762,408 Settlement 10/09/2025	(7)	0.00	
<b>Total portfolio</b>	<b>1,270,667</b>	<b>98.81</b>	<b>98.50</b>
<b>Net other assets/(liabilities)</b>	<b>15,339</b>	<b>1.19</b>	<b>1.50</b>
<b>Net assets attributable to shareholders</b>	<b>1,286,006</b>	<b>100.00</b>	<b>100.00</b>

All securities are on an official stock exchange listing except where referenced.  
The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 August 2025

Largest purchases	\$'000
Microsoft Corp.	36,484
Royal Caribbean Cruises Ltd.	30,892
Meta Platforms, Inc.	29,880
UnitedHealth Group, Inc.	29,229
Lam Research Corp.	29,215
NextEra Energy, Inc.	28,861
Elevance Health, Inc.	27,240
VF Corp.	26,101
Seagate Technology Holdings PLC	23,894
Carrier Global Corp.	22,499
Other purchases	383,004
<b>Total purchases</b>	<b>667,299</b>

Largest sales	\$'000
Broadcom, Inc.	89,138
Visa, Inc.	43,976
Arthur J Gallagher & Co.	34,749
BlackRock, Inc.	34,573
Mastercard, Inc.	32,585
Meta Platforms, Inc.	23,335
Microsoft Corp.	15,263
Alphabet, Inc.	14,046
NXP Semiconductors NV	13,485
Motorola Solutions, Inc.	13,321
Other sales	215,093
<b>Total sales</b>	<b>529,564</b>

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

# Financial highlights

## Fund performance

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

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

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

## Long-term performance by share class

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

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+8.1	+10.4	+13.0	+14.5
Class 'A' Accumulation	+8.1	+10.4	+13.0	+14.5
Class 'I' Income	+8.6	+10.9	+13.4	+15.2
Class 'I' Accumulation	+8.6	+10.9	+13.4	+15.2
Class 'I-H' Income	+10.7	+15.2	+12.7	n/a
Class 'I-H' Accumulation	+10.7	+15.2	+12.7	n/a
Class 'PP' Income	+8.7	+11.0	+13.5	n/a
Class 'PP' Accumulation	+8.7	+11.0	+13.5	n/a
Class 'PP-H' Income	+10.7	+15.3	+12.8	n/a
Class 'PP-H' Accumulation	+10.9	+15.4	+12.8	n/a
Class 'R' Income	+8.3	+10.6	+13.1	+14.8
Class 'R' Accumulation	+8.3	+10.6	+13.1	+14.9
<b>Benchmark</b>	<b>+12.7</b>	<b>+13.7</b>	<b>+14.5</b>	<b>+16.1</b>

<sup>a</sup> Not annualised.

## Specific share class performance

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

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

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 28 March 1977.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	3,645.27	3,056.67	3,020.34
Return before operating charges*	331.95	675.42	117.63
Operating charges	(35.94)	(34.92)	(29.87)
Return after operating charges*	296.01	640.50	87.76
Distributions	(60.03)	(51.90)	(51.43)
Closing NAV	3,881.25	3,645.27	3,056.67
*after direct transaction cost of	0.73	0.57	0.46
<b>Performance</b>			
Return after charges (%)	8.12	20.95	2.91
<b>Other information</b>			
Closing NAV (\$'000)	123,163	117,865	98,777
Number of shares	2,357,121	2,454,639	2,548,533
Operating charges (%)	0.95	1.02	1.01
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	4,202.74	3,727.01	3,110.16
Lowest share price (UK p)	3,218.40	2,961.86	2,731.87

## Sterling Class 'A' Accumulation shares

The share class was launched on 18 December 1972.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	5,559.61	4,593.15	4,461.06
Return before operating charges*	507.07	1,019.14	176.26
Operating charges	(55.03)	(52.68)	(44.17)
Return after operating charges*	452.04	966.46	132.09
Distributions	(37.31)	(30.95)	(35.44)
Retained distributions	37.31	30.95	35.44
Closing NAV	6,011.65	5,559.61	4,593.15
*after direct transaction cost of	1.11	0.86	0.68
<b>Performance</b>			
Return after charges (%)	8.13	21.04	2.96
<b>Other information</b>			
Closing NAV (\$'000)	113,870	113,445	96,731
Number of shares	1,406,989	1,549,076	1,660,877
Operating charges (%)	0.95	1.02	1.01
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	6,427.45	5,650.33	4,610.04
Lowest share price (UK p)	4,935.76	4,450.78	4,035.58

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	4,518.33	3,773.62	3,714.05
Return before operating charges*	412.17	835.37	145.41
Operating charges	(25.84)	(26.46)	(22.33)
Return after operating charges*	386.33	808.91	123.08
Distributions	(74.55)	(64.20)	(63.51)
Closing NAV	4,830.11	4,518.33	3,773.62
*after direct transaction cost of	0.90	0.70	0.57
<b>Performance</b>			
Return after charges (%)	8.55	21.44	3.31
<b>Other information</b>			
Closing NAV (\$'000)	207,425	192,836	180,400
Number of shares	3,189,907	3,239,980	3,770,130
Operating charges (%)	0.55	0.62	0.61
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	5,218.17	4,618.14	3,831.22
Lowest share price (UK p)	3,999.58	3,658.71	3,360.96

## Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	5,467.47	4,499.06	4,352.28
Return before operating charges*	499.58	1,000.29	173.08
Operating charges	(31.38)	(31.88)	(26.30)
Return after operating charges*	468.20	968.41	146.78
Distributions	(59.45)	(49.96)	(51.53)
Retained distributions	59.45	49.96	51.53
Closing NAV	5,935.67	5,467.47	4,499.06
*after direct transaction cost of	1.10	0.85	0.67
<b>Performance</b>			
Return after charges (%)	8.56	21.52	3.37
<b>Other information</b>			
Closing NAV (\$'000)	650,221	465,878	334,517
Number of shares	8,137,033	6,468,695	5,863,761
Operating charges (%)	0.55	0.62	0.61
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	6,331.59	5,554.92	4,505.53
Lowest share price (UK p)	4,866.49	4,362.14	3,939.04

# Financial highlights

## Sterling Class 'I-H' Income shares

The share class was launched on 6 December 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	161.34	130.80	120.57
Return before operating charges*	18.20	33.74	13.16
Operating charges	(0.96)	(0.95)	(0.79)
Return after operating charges*	17.24	32.79	12.37
Distributions	(2.65)	(2.25)	(2.14)
Closing NAV	175.93	161.34	130.80
*after direct transaction cost of	0.03	0.02	0.02
<b>Performance</b>			
Return after charges (%)	10.69	25.07	10.26
<b>Other information</b>			
Closing NAV (\$'000)	208	77	77
Number of shares	87,775	36,080	46,244
Operating charges (%)	0.58	0.65	0.64
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	177.62	162.34	133.19
Lowest share price (UK p)	141.62	120.98	104.09

## Sterling Class 'I-H' Accumulation shares

The share class was launched on 6 December 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	175.07	139.81	126.63
Return before operating charges*	19.70	36.29	14.03
Operating charges	(1.05)	(1.03)	(0.85)
Return after operating charges*	18.65	35.26	13.18
Distributions	(1.83)	(1.52)	(1.52)
Retained distributions	1.83	1.52	1.52
Closing NAV	193.72	175.07	139.81
*after direct transaction cost of	0.03	0.03	0.02
<b>Performance</b>			
Return after charges (%)	10.65	25.22	10.41
<b>Other information</b>			
Closing NAV (\$'000)	8,781	6,273	4,799
Number of shares	3,366,848	2,720,331	2,707,268
Operating charges (%)	0.58	0.65	0.64
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	194.21	175.11	141.40
Lowest share price (UK p)	154.44	129.35	109.34

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	166.30	138.75	136.40
Return before operating charges*	15.18	30.73	5.35
Operating charges	(0.78)	(0.82)	(0.69)
Return after operating charges*	14.40	29.91	4.66
Distributions	(2.75)	(2.36)	(2.31)
Closing NAV	177.95	166.30	138.75
*after direct transaction cost of	0.03	0.03	0.02
<b>Performance</b>			
Return after charges (%)	8.66	21.56	3.42
<b>Other information</b>			
Closing NAV (\$'000)	102,727	74,401	49,619
Number of shares	42,879,413	33,963,761	28,202,521
Operating charges (%)	0.45	0.52	0.51
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	192.14	169.96	140.77
Lowest share price (UK p)	147.30	134.55	123.45

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	195.22	160.48	155.09
Return before operating charges*	17.84	35.71	6.18
Operating charges	(0.92)	(0.97)	(0.79)
Return after operating charges*	16.92	34.74	5.39
Distributions	(2.33)	(1.96)	(1.99)
Retained distributions	2.33	1.96	1.99
Closing NAV	212.14	195.22	160.48
*after direct transaction cost of	0.04	0.03	0.02
<b>Performance</b>			
Return after charges (%)	8.67	21.65	3.48
<b>Other information</b>			
Closing NAV (\$'000)	41,367	29,901	16,093
Number of shares	14,484,141	11,627,904	7,908,640
Operating charges (%)	0.45	0.52	0.51
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	226.17	198.33	160.62
Lowest share price (UK p)	173.87	155.62	140.38

# Financial highlights

## Sterling Class 'PP-H' Income shares

The share class was launched on 6 December 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	162.69	131.77	121.36
Return before operating charges*	18.19	34.00	13.24
Operating charges	(0.81)	(0.82)	(0.67)
Return after operating charges*	17.38	33.18	12.57
Distributions	(2.67)	(2.26)	(2.16)
Closing NAV	177.40	162.69	131.77
*after direct transaction cost of	0.03	0.02	0.02
<b>Performance</b>			
Return after charges (%)	10.68	25.18	10.36
<b>Other information</b>			
Closing NAV (\$'000)	6,792	40	34
Number of shares	2,843,790	18,500	20,150
Operating charges (%)	0.48	0.55	0.54
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	179.11	163.70	134.17
Lowest share price (UK p)	142.68	121.88	104.79

## Sterling Class 'PP-H' Accumulation shares

The share class was launched on 6 December 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	175.99	140.42	127.01
Return before operating charges*	20.04	36.45	14.14
Operating charges	(0.87)	(0.88)	(0.73)
Return after operating charges*	19.17	35.57	13.41
Distributions	(2.03)	(1.68)	(1.64)
Retained distributions	2.03	1.68	1.64
Closing NAV	195.16	175.99	140.42
*after direct transaction cost of	0.04	0.03	0.02
<b>Performance</b>			
Return after charges (%)	10.89	25.33	10.56
<b>Other information</b>			
Closing NAV (\$'000)	9,804	8,431	5,821
Number of shares	3,731,472	3,636,619	3,269,648
Operating charges (%)	0.48	0.55	0.54
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	195.67	176.03	142.00
Lowest share price (UK p)	155.46	129.92	109.70



# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	441.39	369.57	364.63
Return before operating charges*	40.22	81.72	14.23
Operating charges	(3.67)	(3.62)	(3.08)
Return after operating charges*	36.55	78.10	11.15
Distributions	(7.27)	(6.28)	(6.21)
Closing NAV	470.67	441.39	369.57
*after direct transaction cost of	0.09	0.07	0.06
<b>Performance</b>			
Return after charges (%)	8.28	21.13	3.06
<b>Other information</b>			
Closing NAV (\$'000)	2,827	3,073	2,442
Number of shares	446,171	528,536	521,220
Operating charges (%)	0.80	0.87	0.86
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	509.22	451.23	375.72
Lowest share price (UK p)	390.08	358.18	329.86

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	530.37	437.52	424.30
Return before operating charges*	48.40	97.15	16.82
Operating charges	(4.42)	(4.30)	(3.60)
Return after operating charges*	43.98	92.85	13.22
Distributions	(4.39)	(3.66)	(3.98)
Retained distributions	4.39	3.66	3.98
Closing NAV	574.35	530.37	437.52
*after direct transaction cost of	0.11	0.08	0.07
<b>Performance</b>			
Return after charges (%)	8.29	21.22	3.12
<b>Other information</b>			
Closing NAV (\$'000)	18,821	18,576	15,258
Number of shares	2,434,131	2,658,915	2,750,284
Operating charges (%)	0.80	0.87	0.86
Direct transaction costs (%)	0.02	0.02	0.02
<b>Prices</b>			
Highest share price (UK p)	613.55	538.96	438.76
Lowest share price (UK p)	471.31	424.05	383.90

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 August		2025		2024	
	Note	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Net capital gains/(losses)	3		118,341		207,540
Revenue	5	21,456		16,393	
Expenses	6	(7,250)		(5,840)	
Interest payable and similar charges		(46)		0	
Net revenue/(expense) before taxation		14,160		10,553	
Taxation	7	(2,708)		(2,058)	
Net revenue/(expense) after taxation			11,452		8,495
<b>Total return before distributions</b>			<b>129,793</b>		<b>216,035</b>
Distributions	8		(14,082)		(10,850)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>115,711</b>		<b>205,185</b>

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

for the year to 31 August		2025		2024	
		\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>			<b>1,030,796</b>		<b>804,568</b>
Amounts received on issue of shares		356,996		158,914	
Amounts paid on cancellation of shares		(225,356)		(143,252)	
			131,640		15,662
Dilution adjustments			89		91
Change in net assets attributable to shareholders from investment activities (see above)			115,711		205,185
Retained distributions on Accumulation shares			7,741		5,263
Unclaimed distributions			29		27
<b>Closing net assets attributable to shareholders</b>			<b>1,286,006</b>		<b>1,030,796</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 August	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		1,270,674	1,015,354
<b>Current assets</b>			
Debtors	9	2,215	3,578
Cash and bank balances	10	1,607	638
Cash equivalents		17,401	14,543
<b>Total assets</b>		<b>1,291,897</b>	<b>1,034,113</b>
<b>Liabilities</b>			
Investment liabilities		(7)	(9)
<b>Creditors</b>			
Distribution payable		(3,137)	(2,331)
Other creditors	11	(2,747)	(977)
<b>Total liabilities</b>		<b>(5,891)</b>	<b>(3,317)</b>
<b>Net assets attributable to shareholders</b>		<b>1,286,006</b>	<b>1,030,796</b>

# Financial statements and notes

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

The fund's functional and presentational currency is US dollars as this better reflects the currency of its primary economic environment.

### 2 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.

### 3 Net capital gains/(losses)

for the year to 31 August	2025 \$'000	2024 \$'000
Non-derivative securities	117,816	206,941
Derivative contracts	688	502
Capital losses on US REIT	(5)	0
Currency gains/(losses)	(158)	97
<b>Net capital gains/(losses)</b>	<b>118,341</b>	<b>207,540</b>

# Financial statements and notes

## 4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 August	2025 \$'000	% of transaction	2024 \$'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	667,174		368,895	
Commissions	125	0.02	77	0.02
<b>Total purchases after transaction costs</b>	<b>667,299</b>		<b>368,972</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	529,663		361,517	
Commissions	(90)	0.02	(72)	0.02
Taxes and other fees	(9)	0.00	(5)	0.00
<b>Total sales after transaction costs</b>	<b>529,564</b>		<b>361,440</b>	
	2025 \$'000	% of average NAV	2024 \$'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	215	0.02	149	0.02
<b>Taxes and other fees paid</b>				
Equities	9	0.00	5	0.00
<b>Total direct portfolio transaction costs</b>	<b>224</b>	<b>0.02</b>	<b>154</b>	<b>0.02</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.04		0.05

## 5 Revenue

for the year to 31 August	2025 \$'000	2024 \$'000
Bank interest	22	19
Dividends from equity investments: non-taxable	18,516	13,774
Interest distributions	862	658
Property distribution: taxable	2,041	1,932
Rebate of ongoing charges from underlying funds	15	10
<b>Total revenue</b>	<b>21,456</b>	<b>16,393</b>

# Financial statements and notes

## 6 Expenses

for the year to 31 August	2025 \$'000	2024 \$'000
<b>Payable to the ACD or associate</b>		
Annual charge	7,250	5,840
<b>Total expenses</b>	<b>7,250</b>	<b>5,840</b>

Audit fees for the financial year ending 2025 were £12,000 (2024: £12,000) (including VAT), which are covered by the annual charge.

## 7 Taxation

for the year to 31 August	2025 \$'000	2024 \$'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	2,709	2,058
Capital gains tax (US)	(1)	0
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>2,708</b>	<b>2,058</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	14,160	10,553
Corporation tax at 20%	2,832	2,111
<b>Effects of:</b>		
Revenue: non-taxable	(3,703)	(2,755)
Capital income subject to taxation	(1)	0
Current year expenses not utilised	932	700
Withholding tax	2,709	2,058
Withholding tax expensed	(60)	(56)
Capital gains tax (US)	(1)	0
<b>Total tax charge (note 7a)</b>	<b>2,708</b>	<b>2,058</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset of \$46,449,000 (2024: \$45,517,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

# Financial statements and notes

## 8 Distributions

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

for the year to 31 August		2025		2024	
		Inc	Acc	Inc	Acc
Dividend distributions		\$'000	\$'000	\$'000	\$'000
First interim		1,118	1,307	1,056	933
Second interim		1,181	1,109	1,087	1,061
Third interim		1,187	1,496	1,076	1,002
Final		3,137	3,829	2,331	2,267
Total net distributions			14,364		10,813
Income deducted on cancellation of shares			671		478
Income received on issue of shares			(953)		(441)
<b>Distributions</b>			<b>14,082</b>		<b>10,850</b>
Net revenue/(expense) per statement of total return			11,452		8,495
Expenses offset against capital			2,631		2,355
Capital gains tax offset against capital			(1)		0
<b>Distributions</b>			<b>14,082</b>		<b>10,850</b>

## 9 Debtors

as at 31 August	2025	2024
	\$'000	\$'000
Amounts receivable on issues of shares	467	2,756
Currency deals outstanding	540	28
Distributions receivable	73	69
Dividends receivable	1,090	685
Withholding tax recoverable	45	40
<b>Total debtors</b>	<b>2,215</b>	<b>3,578</b>

## 10 Cash and bank balances

as at 31 August	2025	2024
	\$'000	\$'000
Cash held as bank balances	1,607	638
<b>Total cash and bank balances</b>	<b>1,607</b>	<b>638</b>

# Financial statements and notes

## 11 Other creditors

as at 31 August	2025 \$'000	2024 \$'000
Amounts payable on cancellation of shares	1,969	753
Annual charge payable	238	196
Currency deals outstanding	540	28
<b>Total other creditors</b>	<b>2,747</b>	<b>977</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

## 13 Shares in issue

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

Share class	Opening 01.09.24	Issued	Movements Cancelled	Converted	Closing 31.08.25
<b>Sterling</b>					
Class 'A' Income	2,454,639	27,170	(124,688)	0	2,357,121
Class 'A' Accumulation	1,549,076	59,731	(201,818)	0	1,406,989
Class 'I' Income	3,239,980	431,155	(481,228)	0	3,189,907
Class 'I' Accumulation	6,468,695	3,740,380	(2,072,042)	0	8,137,033
Class 'I-H' Income	36,080	562,823	(511,128)	0	87,775
Class 'I-H' Accumulation	2,720,331	1,793,967	(1,147,450)	0	3,366,848
Class 'PP' Income	33,963,761	13,055,722	(4,140,070)	0	42,879,413
Class 'PP' Accumulation	11,627,904	4,618,119	(1,761,882)	0	14,484,141
Class 'PP-H' Income	18,500	2,869,288	(43,998)	0	2,843,790
Class 'PP-H' Accumulation	3,636,619	476,137	(381,284)	0	3,731,472
Class 'R' Income	528,536	36,992	(119,357)	0	446,171
Class 'R' Accumulation	2,658,915	245,308	(470,092)	0	2,434,131

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



# Financial statements and notes

## 14 Charging structure

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

Share class	Annual charge %
<b>Sterling</b>	
Class 'A'	0.95
Class 'I'	0.55
Class 'I-H'	0.58
Class 'PP'	0.45
Class 'PP-H'	0.48
Class 'R'	0.80

## 15 Related parties

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

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

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 1.47% (2024: 1.86%) of the fund's shares.

## 16 Fair value analysis

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

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

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

### Level 2: Valuation technique using observable market data

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

# Financial statements and notes

## Level 3: Valuation technique using unobservable inputs

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

as at 31 August	Assets 2025 \$'000	Liabilities 2025 \$'000	Assets 2024 \$'000	Liabilities 2024 \$'000
Basis of valuation				
Level 1	1,270,369	0	1,014,916	0
Level 2	305	(7)	438	(9)
Level 3	0	0	0	0
	<b>1,270,674</b>	<b>(7)</b>	<b>1,015,354</b>	<b>(9)</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

## 18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by \$63,533,000 (2024: \$50,767,000). A five per cent decrease would have an equal and opposite effect.

## 19 Currency risk sensitivity and exposure

A five per cent increase in the value of the fund's currency exposure would have the effect of increasing the return and net assets by \$2,317,000 (2024: \$1,536,000). A five per cent decrease would have an equal and opposite effect.

as at 31 August	2025 \$'000	2024 \$'000
Currency exposure		
Canadian dollar	24,477	16,078
Sterling	21,869	14,634
US dollar	1,239,660	1,000,084
<b>Total</b>	<b>1,286,006</b>	<b>1,030,796</b>

## 20 Interest rate risk sensitivity and exposure

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

## 21 Credit risk

The fund is exposed to credit risk through derivative positions with counterparties.

# Financial statements and notes

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

as at 31 August 2025	Forwards \$'000
State Street Bank	298
<b>Total</b>	<b>298</b>

At the balance sheet date £270,000 (2024: £270,000) of collateral was held by the fund in respect of forward currency contracts.

as at 31 August 2024	Forwards \$'000
State Street Bank	429
<b>Total</b>	<b>429</b>

## 22 Exchange rate risk for hedged share classes

This fund contains hedged share classes. These share classes operate currency hedges designed to reduce the impact of exchange rates in certain circumstances. As a result, profit and loss on the currency hedges may impact the liquidity of the overall fund. On a day to day basis this is monitored using reporting from the outsourced provider of the hedged share class service. On an ongoing basis the size of the hedged share classes is monitored to ensure that unforeseen exchange rate volatility can be adequately managed without significantly impacting all shareholders. The exposure to forward currency contracts for share class hedging at the year-end accounting date is disclosed in the portfolio statement on page 175.

## 23 Dividend distribution tables

This fund pays quarterly ordinary distributions and the following table sets out the distribution periods.

### Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.09.24	30.11.24	02.12.24	31.01.25
Second interim	01.12.24	28.02.25	03.03.25	30.04.25
Third interim	01.03.25	31.05.25	02.06.25	31.07.25
Final	01.06.25	31.08.25	01.09.25	31.10.25

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

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

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

# Financial statements and notes

## Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	1.1195	9.9054	11.0249	9.8179
Second interim	0.0000	11.1150	11.1150	10.1120
Third interim	0.0000	10.3936	10.3936	10.0723
Final	5.8963	21.5974	27.4937	21.9004

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	3.6570	3.5385	7.1955	6.4078
Second interim	0.0000	4.3348	4.3348	5.8369
Third interim	0.0000	6.9863	6.9863	6.1708
Final	8.0184	10.7731	18.7915	12.5323

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	4.0913	9.5254	13.6167	12.1259
Second interim	0.0000	13.8309	13.8309	12.4991
Third interim	0.0000	12.9179	12.9179	12.4608
Final	7.6975	26.4888	34.1863	27.1158

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	4.1356	6.7812	10.9168	9.7216
Second interim	0.0000	9.6131	9.6131	9.6038
Third interim	0.0000	10.6222	10.6222	9.7928
Final	7.9370	20.3567	28.2937	20.8375

# Financial statements and notes

## Sterling Class 'I-H' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.2476	0.2258	0.4734	0.4216
Second interim	0.0000	0.4732	0.4732	0.4310
Third interim	0.0000	0.4644	0.4644	0.4301
Final	0.2549	0.9816	1.2365	0.9632

## Sterling Class 'I-H' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.0631	0.2702	0.3333	0.2968
Second interim	0.0744	0.2067	0.2811	0.2875
Third interim	0.0000	0.3299	0.3299	0.2941
Final	0.2619	0.6262	0.8881	0.6424

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.0376	0.4632	0.5008	0.4460
Second interim	0.0440	0.4655	0.5095	0.4596
Third interim	0.0000	0.4757	0.4757	0.4584
Final	0.4532	0.8061	1.2593	0.9978

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.1293	0.2947	0.4240	0.3776
Second interim	0.0097	0.3814	0.3911	0.3772
Third interim	0.0000	0.4125	0.4125	0.3828
Final	0.3802	0.7177	1.0979	0.8199

# Financial statements and notes

## Sterling Class 'PP-H' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.0000	0.4770	0.4770	0.4248
Second interim	0.0000	0.4747	0.4747	0.4341
Third interim	0.0000	0.4678	0.4678	0.4334
Final	0.2690	0.9771	1.2461	0.9715

## Sterling Class 'PP-H' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.1153	0.2492	0.3645	0.3246
Second interim	0.0463	0.2780	0.3243	0.3191
Third interim	0.0000	0.3630	0.3630	0.3246
Final	0.3258	0.6492	0.9750	0.7142

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.0000	1.3333	1.3333	1.1873
Second interim	0.0000	1.3478	1.3478	1.2231
Third interim	0.0000	1.2597	1.2597	1.2187
Final	0.5795	2.7536	3.3331	2.6507

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.1860	0.6405	0.8265	0.7360
Second interim	0.0000	0.6077	0.6077	0.6976
Third interim	0.0000	0.8025	0.8025	0.7243
Final	0.5111	1.6376	2.1487	1.5054

# Financial statements and notes

## 24 Events after the balance sheet date

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

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2025 has been used.

## Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the 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.



# Authorised Corporate Director's Report

## Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 14.

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 2024 to 13 February 2025 the risk number was 6.

## Investment review

For the year ended 31 August 2025

### Performance against objective

Between 1 September 2024 (the start of the review period) and 31 August 2025, the fund's sterling share classes delivered a positive total return (the combination of income and growth of capital). However, the fund underperformed the benchmark, the S&P 500 Index, which advanced 12.7% in the review period.

Over five years, the fund generated a positive return but trailed its benchmark, which returned 14.5% pa over this period. Therefore, the fund did not meet its objective of providing a higher total return, net of the ongoing charge figure, than the S&P 500 Index over any five-year period.

For much of the past decade the 'value' investment style (investing in cheaper, out-of-favour stocks) has

struggled to keep pace with the broader market. The fund's underperformance over the past five years was largely due to the significant headwind from its value investing approach, due in part to the rally in large-cap technology stocks in 2023.

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 markets ended 2024 strongly, rebounding from September's technology led dip and weak US economic data, helped by a 50 bps cut by the US Federal Reserve (Fed) and stimulus measures from the People's Bank of China. October saw outperformance, mainly driven by NVIDIA and Alphabet, while Donald Trump's presidential election victory combined with strong economic data, propelled US markets to new highs in November. However, December saw a pullback after a 25 bps rate cut by the Fed and signals of slower easing due to inflation concerns.

US markets started 2025 at record highs, but volatility returned in January, due to both trade tariff and eurozone concerns. February saw a sharp tech sell-off as China's DeepSeek artificial intelligence (AI) start-up disrupted sentiment, with 'Magnificent 7' stocks posting their worst month since December 2022. March was marked by further declines in technology stocks, driven by investor anxiety over President Trump's economic policies and frequent tariff announcements while April dipped sharply on President Trump's 'liberation day' tariff announcements, but recovered after a suspension. May and June posted strong gains on resilient labour data, easing inflation, and AI optimism. Global equity markets surged in July, led by US technology giants and strong earnings in both the NASDAQ and S&P500. Despite a weak start in August due to data showing a marked slowdown in the US labour market, stockmarkets ended the month posting gains, helped by growing expectations that the Fed would cut interest rates in September. The S&P 500 marked its fourth consecutive monthly gain.

# Authorised Corporate Director's Report

The S&P 500 gained 16.8% (in US dollar terms) during the review period. In a market dominated by growth stocks, the fund's value bias worked against it, resulting in below-benchmark returns. The review period was particularly challenging for the 'value' investment style and much of this can be attributed to the geopolitical events and rally in the large-cap technology stocks, some of which are not eligible for us to hold in the fund.

Sector allocation was the biggest detractor from relative performance, particularly our underweight in technology. AI stocks performed well during the review period and while they had a rough start to 2025 driven by uncertainty around tariffs and competition in China, overall they outperformed delivering robust earnings and strong future guidance for chips and data centre businesses. This lifted the overall technology sector sentiment. Not holding AI stocks NVIDIA and Broadcom were our top individual relative detractors. Separately, our overweight holding in Elevance Health, a healthcare company, also detracted from relative performance as the company has been under pressure due to increasing medical costs, decreasing membership revenues and a lowered earnings guidance.

Stock selection also contributed negatively, the main detractor being stock selection in the consumer discretionary sector with Best Buy being amongst the major detractors to relative performance as the electronics retailer cut its full-year profit guidance to account for the impact of tariffs. Our off-benchmark holding in consumer staples company Coty also detracted from relative performance as the cosmetics maker posted lower-than-expected earnings, noting ongoing weakness in the US cosmetics market and continued pressure on consumer spending due to tariffs.

While the technology names dominated headlines, not all of them made gains. President Trump's tariff announcements drove down Apple's share price and it continued to remain under pressure amid its slow progress in AI development; our lack of exposure in the name was the biggest driver of relative performance. On the other hand, we benefited from holding Seagate, which has gained from strong demand for its data

storage solutions, driven by the expansion of cloud computing and AI infrastructure. Tapestry and Constellation Energy, where the fund is overweight, were other strong performers.

Zero exposure to Tesla and Palantir Technologies detracted in relative terms as the value of these stocks soared. Our off-benchmark holdings in Organon and Bruker also weighed on performance.

## Investment activities

In 2024, we started a new position in home appliances manufacturer Whirlpool, which was offering favourable valuations with depressed fundamentals; and US regional bank Western Alliance, which we felt had more cushion against declining rates, is a potential beneficiary of the Trump administration and is trading at an undemanding valuation, in our view. In 2025, we have started new positions in natural gas and electric service provider PG&E, oil services company Halliburton, healthcare company Bruker, engineering products manufacturer Kennametal, industrial automation company Rockwell Automation, customer relationship management (CRM) platform provider Salesforce, global research and consulting company Everest and visual search and discovery platform Pinterest.

In 2024, we fully exited our position in eBay, healthcare technology services provider GE HealthCare Technologies and tobacco products manufacturer Altria as they had performed well for us, and reallocated the capital to invest in other opportunities. In 2025, we have completely exited crude oil tanker company DHT, Reinsurance Group of America, disk storage company Western Digital, power generation company AES and marine products manufacturer Brunswick.

## Outlook

US stock markets recovered well and hit new all-time highs in the second quarter of 2025, after early-April tariff announcements sent stocks into a deep dive. Growth stocks have outperformed value stocks so far in 2025. Although growth stocks have remained in favour, we believe, they are at high valuations and the value

# Authorised Corporate Director's Report

investment style still offers significant opportunities for active, selective investors.

The investment landscape remains challenging and is expected to be volatile amid uncertainty around the US policies, Fed interest rate decisions and geopolitical tensions. Inflation is, in our view, likely to increase as the effects of tariffs begin to reflect in consumer prices. With the potential for higher tariffs to contribute to price increases, consumers are likely to be more judicious in their spending, placing greater emphasis on value and affordability. This may impact the earnings going forward and can cause further delay in expected interest rate cuts. We continue to focus on balance sheet strength of the companies within our portfolio as we believe these are better placed to weather economic uncertainty.

## **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 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities</b>	<b>300,135</b>	<b>98.01</b>	<b>96.71</b>
<b>Automobiles and parts</b>	<b>3,787</b>	<b>1.24</b>	<b>1.78</b>
42,883 General Motors Co.	2,502	0.82	
28,100 Magna International, Inc.	1,285	0.42	
<b>Banks</b>	<b>29,450</b>	<b>9.62</b>	<b>5.68</b>
75,483 Citigroup, Inc.	7,301	2.38	
34,541 JPMorgan Chase & Co.	10,373	3.39	
89,282 Wells Fargo & Co.	7,302	2.39	
50,523 Western Alliance Bancorp	4,474	1.46	
<b>Basic resources</b>	<b>8,528</b>	<b>2.78</b>	<b>3.40</b>
694,719 Champion Iron Ltd.	1,991	0.65	
237,860 Lundin Mining Corp.	2,711	0.88	
39,884 Smurfit WestRock PLC	1,826	0.60	
15,273 Steel Dynamics, Inc.	2,000	0.65	
<b>Chemicals</b>	<b>768</b>	<b>0.25</b>	<b>0.63</b>
19,592 FMC Corp.	768	0.25	
<b>Construction and materials</b>	<b>6,084</b>	<b>1.99</b>	<b>2.16</b>
12,897 Eagle Materials, Inc.	2,949	0.96	
20,700 Owens Corning	3,135	1.03	
<b>Consumer products and services</b>	<b>8,157</b>	<b>2.66</b>	<b>3.04</b>
385,817 Coty, Inc.	1,670	0.54	
202,299 VF Corp.	2,988	0.98	
37,179 Whirlpool Corp.	3,499	1.14	
<b>Energy</b>	<b>14,320</b>	<b>4.68</b>	<b>3.89</b>
47,317 Chevron Corp.	7,526	2.46	
38,317 ConocoPhillips	3,763	1.23	
108,503 Halliburton Co.	2,455	0.80	
317,607 Kosmos Energy Ltd.	576	0.19	
<b>Financial services</b>	<b>8,719</b>	<b>2.85</b>	<b>2.00</b>
36,617 Charles Schwab Corp.	3,554	1.16	
69,183 Voya Financial, Inc.	5,165	1.69	
<b>Food, beverage and tobacco</b>	<b>11,228</b>	<b>3.67</b>	<b>5.00</b>
32,825 Coca-Cola Europacific Partners PLC	2,901	0.95	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Food, beverage and tobacco (continued)</b>			
74,376 Molson Coors Beverage Co.	3,724	1.22	
75,211 Mondelez International, Inc.	4,603	1.50	
<b>Health care</b>	<b>38,957</b>	<b>12.72</b>	<b>14.59</b>
21,474 AbbVie, Inc.	4,462	1.46	
14,652 Amgen, Inc.	4,176	1.36	
72,115 Bristol-Myers Squibb Co.	3,376	1.10	
87,002 Bruker Corp.	2,891	0.95	
13,385 Elevance Health, Inc.	4,141	1.35	
27,848 Gilead Sciences, Inc.	3,125	1.02	
8,613 Johnson & Johnson	1,511	0.49	
25,078 Medtronic PLC	2,302	0.75	
39,944 Merck & Co., Inc.	3,331	1.09	
218,064 Organon & Co.	1,990	0.65	
129,140 Pfizer, Inc.	3,183	1.04	
42,545 Zimmer Biomet Holdings, Inc.	4,469	1.46	
<b>Industrial goods and services</b>	<b>27,923</b>	<b>9.12</b>	<b>9.36</b>
30,742 3M Co.	4,640	1.52	
4,424 Caterpillar, Inc.	1,868	0.61	
135,650 CSX Corp.	4,421	1.44	
13,233 Fiserv, Inc.	1,816	0.59	
158,530 Kennametal, Inc.	3,422	1.12	
38,502 ManpowerGroup, Inc.	1,568	0.51	
28,007 Oshkosh Corp.	3,990	1.30	
51,167 PayPal Holdings, Inc.	3,567	1.17	
7,562 Rockwell Automation, Inc.	2,631	0.86	
<b>Insurance</b>	<b>13,860</b>	<b>4.52</b>	<b>4.36</b>
9,725 Everest Group Ltd.	3,299	1.08	
38,701 Hartford Insurance Group, Inc.	5,105	1.66	
16,725 Willis Towers Watson PLC	5,456	1.78	
<b>Media</b>	<b>2,478</b>	<b>0.81</b>	<b>0.79</b>
206,412 Warner Bros Discovery, Inc.	2,478	0.81	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Personal care, drug and grocery stores</b>	<b>12,438</b>	<b>4.06</b>	<b>3.98</b>
126,678 Energizer Holdings, Inc.	3,449	1.13	
195,216 Kenvue, Inc.	3,999	1.30	
73,931 Kroger Co.	4,990	1.63	
<b>Real estate</b>	<b>8,479</b>	<b>2.77</b>	<b>2.96</b>
145,325 Highwoods Properties, Inc.	4,504	1.47	
94,344 NNN REIT, Inc.	3,975	1.30	
<b>Retail</b>	<b>10,102</b>	<b>3.30</b>	<b>2.87</b>
44,511 Best Buy Co., Inc.	3,217	1.05	
18,625 Lowe's Cos., Inc.	4,775	1.56	
20,632 Tapestry, Inc.	2,110	0.69	
<b>Technology</b>	<b>59,843</b>	<b>19.54</b>	<b>20.87</b>
49,521 Alphabet, Inc.	10,357	3.38	
170,179 Amkor Technology, Inc.	4,162	1.36	
26,044 Check Point Software Technologies Ltd.	4,966	1.62	
7,128 Fabrinet	2,519	0.82	
169,341 Intel Corp.	4,184	1.37	
2,302 Meta Platforms, Inc.	1,717	0.56	
34,079 Micron Technology, Inc.	4,104	1.34	
27,182 Oracle Corp.	6,506	2.12	
57,275 Pinterest, Inc.	2,103	0.69	
29,221 QUALCOMM, Inc.	4,661	1.52	
24,324 Salesforce, Inc.	6,178	2.02	
35,256 Seagate Technology Holdings PLC	6,065	1.98	
148,924 Vishay Intertechnology, Inc.	2,321	0.76	
<b>Telecommunications</b>	<b>16,339</b>	<b>5.33</b>	<b>4.78</b>
103,843 Cisco Systems, Inc.	7,201	2.35	
95,499 Comcast Corp.	3,203	1.04	
134,698 Verizon Communications, Inc.	5,935	1.94	
<b>Travel and leisure</b>	<b>3,973</b>	<b>1.30</b>	<b>1.01</b>
121,549 Southwest Airlines Co.	3,973	1.30	

# Portfolio statement

## Investments (continued)

Holding	as at 31.08.25 \$'000	as at 31.08.25 %	as at 31.08.24 %
<b>Equities (continued)</b>			
<b>Utilities</b>	<b>14,702</b>	<b>4.80</b>	<b>3.56</b>
16,128 Constellation Energy Corp.	5,127	1.67	
123,604 Exelon Corp.	5,407	1.77	
278,277 PG&E Corp.	4,168	1.36	
<b>Total portfolio</b>	<b>300,135</b>	<b>98.01</b>	<b>96.71</b>
<b>Net other assets/(liabilities)</b>	<b>6,093</b>	<b>1.99</b>	<b>3.29</b>
<b>Net assets attributable to shareholders</b>	<b>306,228</b>	<b>100.00</b>	<b>100.00</b>

All securities are on an official stock exchange listing except where referenced.  
The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 August 2025

Largest purchases	\$'000
Salesforce, Inc.	6,333
Amgen, Inc.	6,038
PG&E Corp.	5,018
Whirlpool Corp.	4,922
Western Alliance Bancorp	4,863
Bruker Corp.	3,717
Everest Group Ltd.	3,465
Elevance Health, Inc.	3,174
Kennametal, Inc.	3,095
Halliburton Co.	2,799
Other purchases	61,821
<b>Total purchases</b>	<b>105,245</b>

Largest sales	\$'000
Meta Platforms, Inc.	15,774
Alphabet, Inc.	13,586
Johnson & Johnson	7,767
Oracle Corp.	7,490
Constellation Energy Corp.	6,001
Reinsurance Group of America, Inc.	5,808
Fiserv, Inc.	5,361
Altria Group, Inc.	5,023
Cisco Systems, Inc.	4,689
JPMorgan Chase & Co.	4,602
Other sales	141,540
<b>Total sales</b>	<b>217,641</b>

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



# Financial highlights

## Fund performance

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

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

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

## Long-term performance by share class

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

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+7.2	+8.5	+13.4	+11.1
Class 'A' Accumulation	+7.2	+8.5	+13.4	+11.1
Class 'I' Income	+7.6	+8.9	+13.9	+11.7
Class 'I' Accumulation	+7.6	+8.9	+13.8	+11.7
Class 'PP' Income	+7.7	+9.0	+14.0	n/a
Class 'PP' Accumulation	+7.8	+9.0	+14.0	n/a
Class 'R' Income	+7.4	+8.7	+13.6	+11.4
Class 'R' Accumulation	+7.4	+8.7	+13.6	+11.4
<b>Benchmark</b>	<b>+12.7</b>	<b>+13.7</b>	<b>+14.5</b>	<b>+16.1</b>

<sup>a</sup> Not annualised.

## Specific share class performance

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

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

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 1 July 2005.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	188.57	170.00	164.77
Return before operating charges*	15.47	24.19	10.30
Operating charges	(1.85)	(1.79)	(1.61)
Return after operating charges*	13.62	22.40	8.69
Distributions	(4.14)	(3.83)	(3.46)
Closing NAV	198.05	188.57	170.00
*after direct transaction cost of	0.04	0.05	0.05
<b>Performance</b>			
Return after charges (%)	7.22	13.18	5.27
<b>Other information</b>			
Closing NAV (\$'000)	121,416	113,184	98,434
Number of shares	45,539,680	45,564,361	45,665,044
Operating charges (%)	0.95	0.98	0.96
Direct transaction costs (%)	0.02	0.03	0.03
<b>Prices</b>			
Highest share price (UK p)	213.94	197.87	176.66
Lowest share price (UK p)	169.75	161.84	154.88

## Sterling Class 'A' Accumulation shares

The share class was launched on 1 July 2005.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	227.64	201.15	191.00
Return before operating charges*	18.65	28.61	12.01
Operating charges	(2.24)	(2.12)	(1.86)
Return after operating charges*	16.41	26.49	10.15
Distributions	(2.84)	(2.57)	(2.24)
Retained distributions	2.84	2.57	2.24
Closing NAV	244.05	227.64	201.15
*after direct transaction cost of	0.04	0.11	0.06
<b>Performance</b>			
Return after charges (%)	7.21	13.17	5.31
<b>Other information</b>			
Closing NAV (\$'000)	3,974	3,673	2,933
Number of shares	1,209,652	1,224,929	1,149,814
Operating charges (%)	0.95	0.98	0.96
Direct transaction costs (%)	0.02	0.03	0.03
<b>Prices</b>			
Highest share price (UK p)	258.23	234.11	204.84
Lowest share price (UK p)	204.90	191.47	179.62

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	3,685.02	3,308.59	3,194.10
Return before operating charges*	302.58	471.74	200.06
Operating charges	(20.85)	(20.59)	(18.32)
Return after operating charges*	281.73	451.15	181.74
Distributions	(81.15)	(74.72)	(67.25)
Closing NAV	3,885.60	3,685.02	3,308.59
*after direct transaction cost of	0.72	1.05	1.00
<b>Performance</b>			
Return after charges (%)	7.65	13.64	5.69
<b>Other information</b>			
Closing NAV (\$'000)	10,566	44,616	42,007
Number of shares	201,981	919,147	1,001,286
Operating charges (%)	0.55	0.58	0.56
Direct transaction costs (%)	0.02	0.03	0.03
<b>Prices</b>			
Highest share price (UK p)	4,187.20	3,860.18	3,430.42
Lowest share price (UK p)	3,325.71	3,151.84	3,003.40

## Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	4,510.28	3,969.12	3,754.22
Return before operating charges*	370.15	565.66	236.24
Operating charges	(25.74)	(24.50)	(21.34)
Return after operating charges*	344.41	541.16	214.90
Distributions	(74.40)	(67.16)	(58.79)
Retained distributions	74.40	67.16	58.79
Closing NAV	4,854.69	4,510.28	3,969.12
*after direct transaction cost of	0.89	1.34	1.16
<b>Performance</b>			
Return after charges (%)	7.64	13.63	5.72
<b>Other information</b>			
Closing NAV (\$'000)	62,118	82,365	89,960
Number of shares	950,446	1,386,336	1,787,455
Operating charges (%)	0.55	0.58	0.56
Direct transaction costs (%)	0.02	0.03	0.03
<b>Prices</b>			
Highest share price (UK p)	5,124.49	4,630.77	4,033.30
Lowest share price (UK p)	4,070.15	3,781.02	3,531.75

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	143.69	128.88	124.29
Return before operating charges*	11.82	18.37	7.79
Operating charges	(0.67)	(0.65)	(0.58)
Return after operating charges*	11.15	17.72	7.21
Distributions	(3.17)	(2.91)	(2.62)
Closing NAV	151.67	143.69	128.88
*after direct transaction cost of	0.03	0.04	0.04
<b>Performance</b>			
Return after charges (%)	7.76	13.75	5.80
<b>Other information</b>			
Closing NAV (\$'000)	50,570	96,903	25,807
Number of shares	24,765,849	51,194,481	15,791,595
Operating charges (%)	0.45	0.48	0.46
Direct transaction costs (%)	0.02	0.03	0.03
<b>Prices</b>			
Highest share price (UK p)	163.34	150.46	133.55
Lowest share price (UK p)	129.77	122.80	116.88

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	164.69	144.79	136.82
Return before operating charges*	13.52	20.64	8.64
Operating charges	(0.77)	(0.74)	(0.67)
Return after operating charges*	12.75	19.90	7.97
Distributions	(2.88)	(2.60)	(2.28)
Retained distributions	2.88	2.60	2.28
Closing NAV	177.44	164.69	144.79
*after direct transaction cost of	0.03	0.04	0.04
<b>Performance</b>			
Return after charges (%)	7.74	13.74	5.83
<b>Other information</b>			
Closing NAV (\$'000)	51,414	50,624	51,341
Number of shares	21,522,906	23,335,706	27,965,133
Operating charges (%)	0.45	0.48	0.46
Direct transaction costs (%)	0.02	0.03	0.03
<b>Prices</b>			
Highest share price (UK p)	187.19	169.02	147.04
Lowest share price (UK p)	148.72	137.95	128.72

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	360.99	324.93	314.47
Return before operating charges*	29.62	46.29	19.67
Operating charges	(2.99)	(2.90)	(2.60)
Return after operating charges*	26.63	43.39	17.07
Distributions	(7.94)	(7.33)	(6.61)
Closing NAV	379.68	360.99	324.93
*after direct transaction cost of	0.07	0.11	0.10
<b>Performance</b>			
Return after charges (%)	7.38	13.35	5.43
<b>Other information</b>			
Closing NAV (\$'000)	535	553	539
Number of shares	104,720	116,202	130,812
Operating charges (%)	0.80	0.83	0.81
Direct transaction costs (%)	0.02	0.03	0.03
<b>Prices</b>			
Highest share price (UK p)	409.78	378.54	337.37
Lowest share price (UK p)	325.27	309.41	295.63

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 August Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	437.35	385.84	365.86
Return before operating charges*	35.85	54.95	23.00
Operating charges	(3.62)	(3.44)	(3.02)
Return after operating charges*	32.23	51.51	19.98
Distributions	(6.11)	(5.53)	(4.83)
Retained distributions	6.11	5.53	4.83
Closing NAV	469.58	437.35	385.84
*after direct transaction cost of	0.09	0.11	0.11
<b>Performance</b>			
Return after charges (%)	7.37	13.35	5.46
<b>Other information</b>			
Closing NAV (\$'000)	5,635	4,974	4,408
Number of shares	891,358	863,423	901,024
Operating charges (%)	0.80	0.83	0.81
Direct transaction costs (%)	0.02	0.03	0.03
<b>Prices</b>			
Highest share price (UK p)	496.42	449.49	392.62
Lowest share price (UK p)	394.04	367.40	344.10

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 August		2025		2024	
	Note	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Net capital gains/(losses)	3		29,088		57,518
Revenue	5	8,546		9,021	
Expenses	6	(2,245)		(2,297)	
Interest payable and similar charges		(2)		0	
Net revenue/(expense) before taxation		6,299		6,724	
Taxation	7	(1,096)		(1,148)	
Net revenue/(expense) after taxation			5,203		5,576
<b>Total return before distributions</b>			<b>34,291</b>		<b>63,094</b>
Distributions	8		(6,767)		(7,107)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>27,524</b>		<b>55,987</b>

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

for the year to 31 August		2025		2024	
		\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>			<b>396,892</b>		<b>315,429</b>
Amounts received on issue of shares		37,190		173,546	
Amounts paid on cancellation of shares		(157,333)		(150,344)	
			(120,143)		23,202
Dilution adjustments			48		144
Change in net assets attributable to shareholders from investment activities (see above)			27,524		55,987
Retained distributions on Accumulation shares			1,907		2,130
<b>Closing net assets attributable to shareholders</b>			<b>306,228</b>		<b>396,892</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 August	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		300,135	383,854
<b>Current assets</b>			
Debtors	9	694	981
Cash and bank balances	10	215	835
Cash equivalents		9,464	17,412
<b>Total assets</b>		<b>310,508</b>	<b>403,082</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(3,828)	(5,180)
Other creditors	11	(452)	(1,010)
<b>Total liabilities</b>		<b>(4,280)</b>	<b>(6,190)</b>
<b>Net assets attributable to shareholders</b>		<b>306,228</b>	<b>396,892</b>

# Financial statements and notes

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

The fund's functional and presentational currency is US dollars as this better reflects the currency of its primary economic environment.

### 2 Distribution policy

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

### 3 Net capital gains/(losses)

for the year to 31 August	2025 \$'000	2024 \$'000
Non-derivative securities	28,774	56,954
Derivative contracts	0	32
Capital gains on US REIT	25	0
Currency gains/(losses)	289	532
<b>Net capital gains/(losses)</b>	<b>29,088</b>	<b>57,518</b>



# Financial statements and notes

## 4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 August	2025 \$'000	% of transaction	2024 \$'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	105,224		203,432	
Commissions	21	0.02	57	0.03
<b>Total purchases after transaction costs</b>	<b>105,245</b>		<b>203,489</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	217,685		186,139	
Commissions	(39)	0.02	(44)	0.02
Taxes and other fees	(5)	0.00	(2)	0.00
<b>Total sales after transaction costs</b>	<b>217,641</b>		<b>186,093</b>	
	2025 \$'000	% of average NAV	2024 \$'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	60	0.02	101	0.03
<b>Taxes and other fees paid</b>				
Equities	5	0.00	2	0.00
<b>Total direct portfolio transaction costs</b>	<b>65</b>	<b>0.02</b>	<b>103</b>	<b>0.03</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.05		0.04

## 5 Revenue

for the year to 31 August	2025 \$'000	2024 \$'000
Bank interest	8	8
Dividends from equity investments: non-taxable	7,494	8,089
Interest distributions	554	542
Property distribution: taxable	481	374
Rebate of ongoing charges from underlying funds	9	8
<b>Total revenue</b>	<b>8,546</b>	<b>9,021</b>

# Financial statements and notes

## 6 Expenses

for the year to 31 August	2025 \$'000	2024 \$'000
<b>Payable to the ACD or associate</b>		
Annual charge	2,245	2,297
<b>Total expenses</b>	<b>2,245</b>	<b>2,297</b>

Audit fees for the financial year ending 2025 were £12,000 (2024: £12,000) (including VAT), which are covered by the annual charge.

## 7 Taxation

for the year to 31 August	2025 \$'000	2024 \$'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	1,092	1,143
Capital gains tax (US)	4	5
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>1,096</b>	<b>1,148</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	6,299	6,724
Corporation tax at 20%	1,260	1,345
<b>Effects of:</b>		
Revenue: non-taxable	(1,499)	(1,618)
Capital income subject to taxation	5	6
Current year expenses not utilised	249	278
Withholding tax	1,092	1,143
Capital gains tax (US)	4	5
Overseas tax expensed	(15)	(11)
<b>Total tax charge (note 7a)</b>	<b>1,096</b>	<b>1,148</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset of \$13,569,000 (2024: \$13,320,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

# Financial statements and notes

## 8 Distributions

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

for the year to 31 August	2025		2024	
	Inc	Acc	Inc	Acc
	\$'000	\$'000	\$'000	\$'000
<b>Dividend distributions</b>				
Final	3,828	1,907	5,180	2,130
Total net distributions		5,735		7,310
Income deducted on cancellation of shares		1,410		1,409
Income received on issue of shares		(378)		(1,612)
<b>Distributions</b>		<b>6,767</b>		<b>7,107</b>
Net revenue/(expense) per statement of total return		5,203		5,576
Expenses offset against capital		1,560		1,526
Capital gains tax offset against capital		4		5
<b>Distributions</b>		<b>6,767</b>		<b>7,107</b>

## 9 Debtors

as at 31 August	2025	2024
	\$'000	\$'000
Amounts receivable on issues of shares	1	59
Currency deals outstanding	73	219
Distributions receivable	30	50
Dividends receivable	466	530
Withholding tax recoverable	124	123
<b>Total debtors</b>	<b>694</b>	<b>981</b>

## 10 Cash and bank balances

as at 31 August	2025	2024
	\$'000	\$'000
Cash held as bank balances	215	835
<b>Total cash and bank balances</b>	<b>215</b>	<b>835</b>

## 11 Other creditors

as at 31 August	2025	2024
	\$'000	\$'000
Amounts payable on cancellation of shares	315	716
Annual charge payable	64	75
Currency deals outstanding	73	219
<b>Total other creditors</b>	<b>452</b>	<b>1,010</b>

# Financial statements and notes

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

## 13 Shares in issue

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

Share class	Opening 01.09.24	Issued	Movements Cancelled	Converted	Closing 31.08.25
<b>Sterling</b>					
Class 'A' Income	45,564,361	112,650	(137,331)	0	45,539,680
Class 'A' Accumulation	1,224,929	117,093	(132,370)	0	1,209,652
Class 'I' Income	919,147	210,511	(927,677)	0	201,981
Class 'I' Accumulation	1,386,336	101,513	(537,403)	0	950,446
Class 'PP' Income	51,194,481	4,159,336	(30,587,968)	0	24,765,849
Class 'PP' Accumulation	23,335,706	5,287,781	(7,100,581)	0	21,522,906
Class 'R' Income	116,202	11,701	(23,183)	0	104,720
Class 'R' Accumulation	863,423	164,566	(136,631)	0	891,358

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

## 14 Charging structure

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

Share class	Annual charge %
<b>Sterling</b>	
Class 'A'	0.95
Class 'I'	0.55
Class 'PP'	0.45
Class 'R'	0.80

## 15 Related parties

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

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

# Financial statements and notes

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 46.14% (2024: 35.25%) of the fund's shares.

## 16 Fair value analysis

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

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

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

### Level 2: Valuation technique using observable market data

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

### Level 3: Valuation technique using unobservable inputs

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

as at 31 August	Assets 2025 \$'000	Liabilities 2025 \$'000	Assets 2024 \$'000	Liabilities 2024 \$'000
Basis of valuation				
Level 1	300,135	0	383,854	0
Level 2	0	0	0	0
Level 3	0	0	0	0
	<b>300,135</b>	<b>0</b>	<b>383,854</b>	<b>0</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

## 18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by \$15,007,000 (2024: \$19,193,000). A five per cent decrease would have an equal and opposite effect.

## 19 Currency risk sensitivity and exposure

Currency risk is not considered significant for the fund and is therefore not disclosed.

## 20 Interest rate risk sensitivity and exposure

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

# Financial statements and notes

## 21 Credit risk

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

## 22 Dividend distribution tables

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

### Annual distribution period

	Start	End	Xd	Payment
Final	01.09.24	31.08.25	01.09.25	31.10.25

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

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

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

### Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	2.7813	1.3631	4.1444	3.8315

### Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.5474	1.2891	2.8365	2.5715

### Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	50.6571	30.4913	81.1484	74.7209

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## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	41.6292	32.7754	74.4046	67.1635

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.4954	1.6706	3.1660	2.9123

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.1042	1.7794	2.8836	2.6001

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	5.0958	2.8438	7.9396	7.3288

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 August	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	3.2782	2.8319	6.1101	5.5299

## 23 Events after the balance sheet date

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

# Other regulatory disclosures

## Remuneration

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

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

The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of employees is in line with the risk policies and objectives of the UCITS funds managed by the UCITS Management Company. Further details of the remuneration policy can be found on our website: [mandgplc.com/our-business/mandg-investments/mandg-investments-business-policies](https://mandgplc.com/our-business/mandg-investments/mandg-investments-business-policies)

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

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

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

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

The amounts shown below reflect payments made in respect of the financial year 1 January 2024 to 31 December 2024.

	Fixed Remuneration £'000	Variable Remuneration £'000	Total £'000	Beneficiaries
Senior Management	579	1,303	1,882	10
Other Identified Staff	3,044	17,814	20,858	21
<b>Total</b>	<b>3,623</b>	<b>19,117</b>	<b>22,740</b>	<b>31</b>

## 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.



