M&G (Lux) Investment Funds 1

Annual Report and audited Financial Statements for the year ended 31 March 2023

M&G (Lux) Investment Funds 1 is a Société d'investissement à capital variable (SICAV) under Luxembourg Law

Registered Office:
16 Boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg
R.C.S Luxembourg: B210.615

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Copies of the report including financial statements for the year ended 31 March 2023 may be obtained from the Registered Office of M&G (Lux) Investment Funds 1 at 16, Boulevard Royal L-2449 Luxembourg, Grand Duchy of Luxembourg.

No subscription can be made solely on the basis of financial reports. Subscriptions are only valid if made on the basis of the current Prospectus accompanied by the Key Investor Information Document(s) and the most recently published annual report including audited financial statements, or the most recent unaudited semi-annual report, if published thereafter.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Because of this, investors are not certain to make a profit on their investments and may lose money.

Management and administration

The Board of Directors of M&G (Lux) Investment Funds 1 (the 'Board' or its 'Directors') presents its Annual Report and audited Financial Statements for the year ended 31 March 2023.

Please note that an explanation of key investment terminology is included in the 'Glossary' at the end of this report.

Fund information

M&G (Lux) Investment Funds 1 (the 'Fund') is an Open-Ended Investment Company incorporated under the laws of Luxembourg as a Société d'Investissement à Capital Variable (SICAV) in accordance with the provision of part 1 of the law dated 17 December 2010 on undertakings for Collective Investment, as amended (the 'UCI Law').

The Fund is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF) under the laws of the Grand-Duchy of Luxembourg. The Fund was incorporated on 29 November 2016 and is an Undertaking for Collective Investment in Transferable Securities (UCITS) scheme under part 1 of the UCI Law.

The Fund is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate sub-funds. Each sub-fund represents a separate portfolio of assets.

The Fund's principal activity is to carry on business as a SICAV. The Fund is structured as an umbrella fund, and different sub-funds may be established by the Board from time to time with the approval of the CSSF.

Under Luxembourg law, the Fund is itself a legal entity, and the assets and liabilities of each sub-fund are segregated from one another and invested in accordance with the investment objectives and investment policies applicable to each sub-fund. Shareholders are not liable for the debts of the respective sub-fund. A Shareholder is not liable to make any further payment to the respective sub-fund after payment has been made in full for the purchase of shares.

Each sub-fund may offer more than one class of shares. Each share class may have different features with respect to its criteria for subscription (including eligibility requirements), redemption, minimum holding, fee structure, currency, hedging policy and distribution policy (further information on share classes is fully described in the Fund's Prospectus).

Board of Directors

As at the financial year ended 31 March 2023, and up to the date of this report, the following individuals were appointed as Directors of the Fund:

P R Jelfs, L J Mumford, N Wells[ab], S van Dootingh[a], Y Wagner[a]

[a] Independent Directors
[b] Nadya Wells was appointed as an Independent Director on 6 February 2023.

Sub-funds, sub-fund managers and launch dates

As at the financial year ended 31 March 2023, the following sub-funds are available for investment. Please note the sub-fund managers are employed by M&G FA Limited, which is an associate of M&G Luxembourg S.A.

M&G (Lux) Absolute Return Bond Fund
Launched: 21 December 2016
Sub-fund manager: Wolfgang Bauer

At the start of the review period Jim Leaviss was co-sub-fund manager. He resigned on 31 August 2022.

M&G (Lux) Asian Fund
Launched: 26 October 2018
Sub-fund manager: David Perrett

M&G (Lux) Better Health Solutions Fund
Launched: 2 March 2023
Sub-fund manager: Jasveet Brar

Management and administration

M&G (Lux) Climate Solutions Fund
Launched: 12 November 2020
Sub-fund manager: Michael Rae

At the start of the review period Randeep Somel was sub-fund manager. Randeep Somel resigned on 21 October 2022 and was replaced by John William Olsen. John William Olsen resigned on 8 February 2023 and was replaced by Michael Rae.

M&G (Lux) Conservative Allocation Fund
Launched: 16 January 2018
Co-sub-fund managers: Craig Moran and Steven Andrew

On 21 October 2022 the M&G (Lux) Conservative Allocation Fund was merged into M&G (Lux) Sustainable Allocation Fund and is no longer available for investment.

M&G (Lux) Diversity And Inclusion Fund
Launched: 18 November 2021
Sub-fund manager: Thembeka Stemela

M&G (Lux) Dynamic Allocation Fund
Launched: 16 January 2018
Co-sub-fund managers: Craig Moran and Steven Andrew

At the start the review period Juan Nevado was co-sub-fund manager. He was replaced on 1 July 2022 by Steven Andrew.

M&G (Lux) Emerging Markets Bond Fund
Launched: 17 September 2018
Sub-fund manager: Claudia Calich

M&G (Lux) Emerging Markets Hard Currency Bond Fund
Launched: 22 May 2017
Sub-fund manager: Claudia Calich

M&G (Lux) Emerging Markets Income Opportunities Fund
Launched: 22 May 2017
Co-sub-fund managers: Michael Bourke and Charles de Quinsonas

On 6 May 2022 the M&G (Lux) Emerging Markets Income Opportunities Fund was merged into M&G (Lux) Income Allocation Fund and is no longer available for investment.

M&G (Lux) Episode Macro Fund
Launched: 26 October 2018
Sub-fund manager: David Fishwick

At the start of the review period Eric Lonergan was co-sub-fund manager. He resigned on 1 December 2022.

M&G (Lux) Euro Corporate Bond Fund
Launched: 9 November 2018
Co-sub-fund managers: Stefan Isaacs and Gareth Jandrell

M&G (Lux) European Inflation Linked Corporate Bond Fund
Launched: 16 March 2018
Sub-fund manager: Matthew Russell

M&G (Lux) European Strategic Value Fund
Launched: 18 September 2018
Sub-fund manager: Richard Halle

M&G (Lux) Global Convertibles Fund
Launched: 9 November 2018
Sub-fund manager: Léonard Vinville

M&G (Lux) Global Corporate Bond Fund
Launched: 7 December 2018
Sub-fund manager: Ben Lord

M&G (Lux) Global Dividend Fund
Launched: 18 September 2018
Sub-fund manager: Stuart Rhodes

M&G (Lux) Global Emerging Markets Fund
Launched: 26 October 2018
Sub-fund manager: Michael Bourke

M&G (Lux) Global Enhanced Equity Premia Fund
Launched: 10 December 2019
Sub-fund manager: Gautam Samarth

At the start of the review period Marc Beckenstrater was co-sub-fund manager. He resigned on 30 June 2022.

M&G (Lux) Global Floating Rate High Yield Fund
Launched: 13 September 2018
Sub-fund manager: James Tomlins

M&G (Lux) Global High Yield Bond Fund
Launched: 9 November 2018
Co-sub-fund managers: Stefan Isaacs and James Tomlins

M&G (Lux) Global Listed Infrastructure Fund
Launched: 5 October 2017
Sub-fund manager: Alex Araujo

Management and administration

M&G (Lux) Global Macro Bond Fund
Launched: 26 October 2018
Sub-fund manager: Jim Leaviss

M&G (Lux) Global Maxima Fund
Launched: 11 December 2019
Sub-fund manager: Gautam Samarth

At the start of the review period Marc Beckenstrater was co-sub-fund manager. He resigned on 30 June 2022.

M&G (Lux) Global Sustain Paris Aligned Fund
Launched: 9 November 2018
Sub-fund manager: John William Olsen

M&G (Lux) Global Target Return Fund
Launched: 21 December 2016
Sub-fund manager: Tristan Hanson

M&G (Lux) Global Themes Fund
Launched: 19 March 2019
Sub-fund manager: Alex Araujo

M&G (Lux) Income Allocation Fund
Launched: 16 January 2018
Co-sub-fund managers: Steven Andrew and Stefano Amato

On 19 December 2022 Stefano Amato was appointed co-sub-fund manager.

M&G (Lux) Japan Fund
Launched: 26 October 2018
Sub-fund manager: Carl Vine

M&G (Lux) Japan Smaller Companies Fund
Launched: 26 October 2018
Sub-fund manager: Carl Vine

M&G (Lux) Multi Asset 2023 Fund
Launched: 14 December 2017
Sub-fund manager: Craig Moran

M&G (Lux) North American Dividend Fund
Launched: 9 November 2018
Sub-fund manager: John Weavers

M&G (Lux) North American Value Fund
Launched: 9 November 2018
Sub-fund manager: Daniel White

M&G (Lux) Optimal Income Fund
Launched: 5 September 2018
Sub-fund manager: Richard Woolnough

M&G (Lux) Pan European Sustain Paris Aligned Fund
Launched: 9 November 2018
Sub-fund manager: John William Olsen

M&G (Lux) Positive Impact Fund
Launched: 29 November 2018
Sub-fund manager: John William Olsen

M&G (Lux) Short Dated Corporate Bond Fund
Launched: 26 October 2018
Sub-fund manager: Matthew Russell

M&G (Lux) Sustainable Allocation Fund
Launched: 29 November 2018
Sub-fund manager: Maria Municchi

M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund
Launched: 25 July 2019
Sub-fund manager: Charles de Quinsonas

M&G (Lux) Sustainable Global High Yield Bond Fund
Launched: 5 October 2017
Co-sub-fund managers: James Tomlins and Stefan Isaacs

M&G (Lux) Sustainable Macro Flexible Credit Fund
Launched: 24 February 2022
Co-sub-fund managers: Jim Leaviss and Richard Ryan

M&G (Lux) Sustainable Multi Asset Growth Fund
Launched: 7 December 2021
Sub-fund manager: Maria Municchi

M&G (Lux) Sustainable Optimal Income Bond Fund
Launched: 14 December 2021
Sub-fund manager: Richard Woolnough

Management and administration

Management Company

M&G Luxembourg S.A.
16, boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg
(Authorised and regulated by the CSSF in Luxembourg)

The Fund has appointed M&G Luxembourg S.A. to serve as its management company within the meaning of the UCI Law. The Management Company is responsible for the provision of investment management services, administrative services and marketing services to the Fund.

The Management Company also acts as the management company for other funds.

In accordance with the CSSF Rules and with the prior consent of the Directors, the Management Company may delegate all or part of its duties and powers to any person or entity, provided such duties and powers remain under the supervision and responsibility of the Management Company.

Investment manager

M&G Investment Management Limited
10, Fenchurch Avenue
London EC3M 5AG
United Kingdom

The Management Company has appointed M&G Investment Management Limited as investment manager to manage and invest the assets of the sub-funds pursuant to their respective investment objectives and policies.

Sub-Investment manager

M&G Investments (Singapore) Pte. Ltd.
138, Market Street, #35-01 Capital Green
Singapore 048946
Singapore

With the prior consent of the Management Company, the Investment Manager has appointed M&G Investments (Singapore) Pte. Ltd. as sub-investment manager to manage and invest the assets of the following sub-funds pursuant to their respective investment objectives and policies: M&G (Lux) Asian Fund, M&G (Lux) Conservative Allocation Fund (Asian equity portion of the portfolio only), M&G (Lux) Dynamic Allocation Fund (Asian equity portion of the portfolio only), M&G (Lux) Japan Fund and M&G (Lux) Japan Smaller Companies Fund.

Registrar and transfer agent

RBC Investor Services Bank S.A.*
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

* Subject to regulatory approval RBC Investor Services Bank S.A. is expected to change its name to CACEIS Investor Services Bank S.A. on 3 July 2023.

The Management Company, in conjunction with the Board of Directors, has appointed RBC Investor Services Bank S.A. as registrar and transfer agent of the Fund.

Depositary and administrator

State Street Bank International GmbH,
Luxembourg Branch
49, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

The Management Company, in conjunction with the Board of Directors, has appointed State Street Bank International GmbH, Luxembourg Branch as depositary and administrator of the Fund.

Independent auditor

Ernst & Young S.A.
35E, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal Adviser

Elvinger Hoss Prussen S.A.
2, place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

Investment objective and policy

For information on the latest Investment Objective and Policy, Strategy, Benchmark and EU Sustainable Finance Disclosure Regulation, investors should refer to the Prospectus which is available on our website at mandg.com/investments/lu

Management and administration

Important information

M&G (Lux) Emerging Markets Income Opportunities Fund, merged into M&G (Lux) Income Allocation Fund on 6 May 2022.

M&G (Lux) Conservative Allocation Fund, merged into M&G (Lux) Sustainable Allocation Fund on 21 October 2022.

Risk monitoring methodology changed from absolute to relative VaR for 9 fixed income sub-funds on 31 January 2023:

M&G (Lux) Emerging Markets Bond Fund

M&G (Lux) Emerging Markets Hard Currency Bond Fund

M&G (Lux) Euro Corporate Bond Fund

M&G (Lux) Global Convertibles Fund

M&G (Lux) Global Corporate Bond Fund

M&G (Lux) Global Floating Rate High Yield Fund

M&G (Lux) Global High Yield Bond Fund

M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund

M&G (Lux) Sustainable Global High Yield Bond Fund

M&G (Lux) Better Health Solutions Fund has been launched on 2 March 2023.

The events in Ukraine continue to shock and bring widespread condemnation. Western nations responded to Russia's attack which started on 24 February 2022, with sweeping sanctions: the US, the UK and the European Union have imposed sanctions on Russian banks, state-owned enterprises (SOEs) and individuals with close links to President Putin.

From the perspective of financial markets, Russia's attack has sparked considerable volatility. There have been direct impacts, particularly with Russian exposed assets and indirect impacts affecting asset classes globally with commodity prices surging. Given the uncertainty around the continuing conflict, it is likely that financial markets will remain volatile as investors react to developments.

As at the year end date of this report the most recent Visa Stamped Prospectus was approved by the CSSF on 22 February 2023.

The sub-funds below are launched and available for investment:

M&G (Lux) Absolute Return Bond Fund

M&G (Lux) Asian Fund

M&G (Lux) Better Health Solutions Fund

M&G (Lux) Climate Solutions Fund

M&G (Lux) Diversity And Inclusion Fund

M&G (Lux) Dynamic Allocation Fund

M&G (Lux) Emerging Markets Bond Fund

M&G (Lux) Emerging Markets Hard Currency Bond Fund

M&G (Lux) Episode Macro Fund

M&G (Lux) Euro Corporate Bond Fund

M&G (Lux) European Inflation Linked Corporate Bond Fund

M&G (Lux) European Strategic Value Fund

M&G (Lux) Global Convertibles Fund

M&G (Lux) Global Corporate Bond Fund

M&G (Lux) Global Dividend Fund

M&G (Lux) Global Emerging Markets Fund

M&G (Lux) Global Enhanced Equity Premia Fund

M&G (Lux) Global Floating Rate High Yield Fund

M&G (Lux) Global High Yield Bond Fund

M&G (Lux) Global Listed Infrastructure Fund

M&G (Lux) Global Macro Bond Fund

M&G (Lux) Global Maxima Fund

M&G (Lux) Global Sustain Paris Aligned Fund

M&G (Lux) Global Target Return Fund

M&G (Lux) Global Themes Fund

M&G (Lux) Income Allocation Fund

Management and administration

M&G (Lux) Japan Fund

M&G (Lux) Japan Smaller Companies Fund

M&G (Lux) Multi Asset 2023 Fund

M&G (Lux) North American Dividend Fund

M&G (Lux) North American Value Fund

M&G (Lux) Optimal Income Fund

M&G (Lux) Pan European Sustain Paris Aligned Fund

M&G (Lux) Positive Impact Fund

M&G (Lux) Short Dated Corporate Bond Fund

M&G (Lux) Sustainable Allocation Fund

M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund

M&G (Lux) Sustainable Global High Yield Bond Fund

M&G (Lux) Sustainable Macro Flexible Credit Fund

M&G (Lux) Sustainable Multi Asset Growth Fund

M&G (Lux) Sustainable Optimal Income Bond Fund

Please note there have been share class launches during the year for numerous sub-funds within the umbrella. Please see the Long-term performance table in each sub-fund's Financial highlights for the share class launch details.

Investor information

The Prospectus, Articles of Incorporation, Key Investor Information Documents, latest annual or interim report and financial statements of the Fund are available free of charge on request from the addresses as detailed below. Alternatively, you can obtain a copy of the latest annual or interim report and financial statements from our website at mandg.com/investments/private-investor/en-lu/solutions/our-funds

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current Prospectus, the current Key Investor Information Document, accompanied by the latest audited annual report or unaudited interim report if published thereafter.

A detailed list of investments purchased and sold for any sub-fund during the year is available upon request, free of charge, from the following address:

Customer services and administration

M&G Luxembourg S.A., c/o RBC I&TS
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Telephone: +352 2605 9944

Email: csmandg@rbc.com

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.

For security purposes and to improve the quality of our service, telephone calls may be recorded and monitored.

Austrian facilities agent

Société Générale, Vienna Branch
Prinz Eugen-Strasse 8-10/5/Top 11
1040 Wien
Austria

Belgian facilities agent

ABN AMRO Bank N.V., Belgium Branch
Riderveldlaan 5 bus 4
2600 Berchem
Belgium

Danish representative and paying agent

Nordea Bank Danmark A/S
Client Relations DK, Investor Services & Solutions
Postbox 850, Reg. No. 6428. HH. 6.1.
0900 Copenhagen C
Denmark

French centralising agent

RBC Investor Services, Bank France S.A.
105, rue Réaumur
75002 Paris
France

Management and administration

German facilities agent

M&G Luxembourg S.A., Niederlassung Deutschland
mainBuilding, Taunusanlage 19
60325 Frankfurt/Main
Germany

Greek facilities and distributor

Eurobank Ergasias S.A.
8, Othonos Street
10557 Athens
Greece

Greek paying agents and distributors

Alpha Bank A.E.
40, Stadiou Street
10252 Athens
Greece

Piraeus Bank S.A.
4, Amerikis Street
10564 Athens
Greece

Irish facilities agent

Société Générale S.A., Dublin Branch
3rd Floor IFSC House – IFSC
Dublin 1
Ireland

Italian facilities agent

Allfunds Bank S.A.
Via Bocchetto 6
20123 Milano MI
Italy

Italian paying agents

Banca Monte dei Paschi di Siena S.p.A.
Piazza Salimbeni 3
53100 Siena
Italy

Banca Sella Holding S.p.A.
Piazza Gaudenzio Sella 1
13900 Biella
Italy

CACEIS Bank Luxembourg, Milan Branch
Piazza Cavour 2
20121 Milano
Italy

State Street Bank S.p.A.
Via Ferrante Aporti 10
20125 Milano
Italy

Société Générale Securities Services S.A.
Via Benigno Crespi 19A - MAC 2
20159 Milano
Italy

Liechtenstein paying agent

VP Bank AG
9490 Vaduz
Liechtenstein

Liechtenstein facilities agent

M&G Luxembourg S.A., Niederlassung Deutschland
mainBuilding, Taunusanlage 19
60325 Frankfurt/Main
Germany

Netherlands facilities agent

M&G Luxembourg S.A, Dutch Branch
Zuidplein 36
1077XV Amsterdam
Netherlands

Portuguese facilities agent and distributor

Best - Banco Electrónico de Serviço Total S.A.
Praça Marquês de Pombal, no. 3 - 3º
1250-161 Lisboa
Portugal

Spanish facilities agent and representative

Allfunds Bank S.A.
Calle Estafeta, No. 6 Complejo Plaza de la Fuente
La Moraleja 28109, Alcobendas, Madrid
Spain

Swedish facilities agent

M&G Luxembourg S.A., Svensk Filial
Birger Jarlsgatan 14
114 34 Stockholm
Sweden

Swedish paying agent

Nordea Bank AB (publ)
Smålandsgatan 17
105 71 Stockholm
Sweden

Management and administration

Danish, Finland and Swedish facilities agent

M&G Luxembourg S.A., Svensk Filial
Birger Jarlsgatan 14
114 34 Stockholm
Sweden

Swiss paying agent and representative

Société Générale, Paris, Zurich Branch
Talacker 50, P.O. Box 5070
8021 Zurich
Switzerland

United Kingdom facilities agent

Société Générale London
One Bank Street, Canary Wharf
London E14 4SG
United Kingdom

Directors' Report

Directors of the Fund

Philip Jelfs

Mr Jelfs has been a director of the Fund since inception. He joined M&G in 2006 and now is Global Head of Product. He is responsible for products throughout the product life-cycle. He is also a Director of M&G Securities Limited, a UK based Authorised Corporate Director. Mr Jelfs has an honours degree in Geography & War Studies from Kings College, London University and an MBA.

Laurence Mumford

Mr Mumford has been a director of the Fund since inception and is Chair of the Fund Board. He is Distribution Governance Director and currently Chair of M&G Securities Limited, a UK based Authorised Corporate Director. Mr Mumford is a member of the Investment Association's Investment Funds Committee which aims to facilitate strategic understanding and issue resolutions across the industry. Mr Mumford is a chartered accountant and joined M&G in 2000 having previously worked at PricewaterhouseCoopers.

Susanne van Dootingh – Independent Director

Ms van Dootingh has been an independent non-executive director of the Fund since 12 February 2019. Ms van Dootingh is an independent non-executive director of several Luxembourg domiciled investment funds and management companies. Ms van Dootingh was previously at State Street Global Advisors (SSGA) from 2002 to 2017 with her final position being Senior Managing Director, Head of European Governance and Regulatory Strategy EMEA. Prior to this she held various senior positions at SSGA in Global Product Development and Global Fixed Income Strategy. Before joining SSGA in 2002 she was a fixed income strategist and portfolio manager at Fortis Investment Management, Barclays Global Investors, and ABN AMRO Asset Management.

Yves Wagner – Independent Director

Dr. Wagner has been an independent non-executive director of the Fund since inception. Dr. Wagner started his non-academic career with Banque Générale du Luxembourg where he became Director of Asset Management, before becoming the Chief Executive Officer and Board member of Fortis Investments, Luxembourg. He founded 'The Directors' Office' and is today an independent director for several financial institutions. He has been an advisor to the Luxembourg School of Finance (LSF), a business school of the University of Luxembourg.

Dr. Wagner holds a 'Doctorat ès Sciences Economiques' (PhD) from the University of Aix-Marseille III, France.

Dr. Wagner was for many years the Chairman of the Luxembourg Society of Financial Analysts (ALGAFI) and Board Member of the European Federation of Financial Analysts Societies (EFFAS).

Nadya Wells – Independent Director

Ms Wells has over 25 years' experience as a long-term investor and governance specialist. Latterly she spent 13 years with the Capital Group, as a portfolio manager and investment analyst with a focus on EMEA markets until 2014. Prior to that she was a portfolio manager at Invesco Asset Management investing in Eastern Europe in closed end funds until 1999. She started her career with EY in management consulting. She holds an MBA from INSEAD, an MA from Oxford University and an MSc from the University of Geneva.

Directors' Report

Directors' responsibilities

The Directors are responsible for the overall management and control of the Fund in accordance with the Articles. The Directors are further responsible for the implementation of each sub-fund's investment objective and policies, as well as for oversight of the administration and operations of each sub-fund.

The Directors shall have the broadest powers to act in any circumstances on behalf of the Fund, subject to the powers reserved by law to the Shareholders.

The following persons have been appointed as Directors of the Fund:

Philip Jelfs, Director.

Laurence Mumford, Director.

Susanne van Dootingh, Independent Director.

Yves Wagner, Independent Director.

Nadya Wells, Independent Director*.

* Nadya Wells was appointed as an Independent Director on 6 February 2023.

The Directors may appoint one or more committees, authorised delegates or agents to act on their behalf.

Delegation of functions

Management Company

The Fund has appointed M&G Luxembourg S.A., pursuant to the Management Agreement, to serve as its management company within the meaning of the UCI Law.

The Management Company performs certain functions, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Fund.

The Management Company acts as the management company of the Fund under the freedom to provide services organised by the UCITS Directive. In accordance with the relevant provisions of the UCI Law, the Management Company will be required to comply with the CSSF Rules (being the rules of the Management Company's 'home member state' for the purposes of the UCI Law) in relation to the organisation of the Management Company, including its delegation arrangements, risk management procedures, prudential rules and supervision, applicable prudential rules regarding the Management Company's management of UCITS authorised under the UCITS Directive and the Management Company's reporting requirements. The Management Company shall comply with the UCI Law as regards the constitution and functioning of the Fund.

The Fund has appointed the Management Company as its corporate and domiciliary agent. The Management Company will be responsible for the domiciliation of the Fund and will perform, inter alia, the functions as foreseen in the Luxembourg law of 31 May 1999 on the domiciliation of companies, as amended from time to time, and, in particular, allow the Fund to establish its registered office at the registered office of the Management Company, and provide facilities necessary for the meetings of the Fund's Directors, officers and/or of the Shareholders of the Fund.

Distributor

M&G Luxembourg S.A. acts as the distributor of Shares.

Investment manager

The Management Company has appointed M&G Investment Management Limited as investment manager to manage and invest the assets of the sub-funds pursuant to their respective investment objectives and policies.

The Investment Manager was appointed pursuant to the Investment Management Agreement. Under the Investment Management Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Management Company and the Directors, to purchase and sell securities and otherwise to manage the assets of the Fund on a discretionary basis. The Investment Manager is also entitled to delegate investment management under the terms set out in the Investment Management Agreement.

Directors' Report

Registrar and transfer agent

The Management Company has appointed RBC Investor Services Bank S.A. as registrar and transfer agent of the Fund on behalf of the Board of Directors.

Under the Registrar and Transfer Agency Agreement, the registrar and transfer agent is responsible for processing the issue, redemption and transfer of shares, as well as for the keeping of the register of Shareholders, subject to the overall review and control of the Management Company and the Directors.

Administrator

The Management Company has appointed State Street Bank International GmbH, Luxembourg Branch as the Administrator of the Fund on behalf of the Board of Directors. The Administrator will carry out certain administrative duties related to the administration of the Fund, including the calculation of the Net Asset Value of the shares and the provision of accounting services to the Fund, subject to the overall review and control of the Management Company and the Directors.

Hedging services

The Management Company has appointed State Street Europe Limited to undertake certain currency hedging functions in respect of Currency Hedged Share Classes.

Depositary

The Management Company in conjunction with the Board of Directors has appointed State Street Bank International GmbH, Luxembourg Branch as the Depositary.

The Depositary shall perform all of the duties and obligations of a depositary under the UCITS Directive and the Luxembourg implementing laws and regulations with respect to each sub-fund.

The Depositary has been entrusted with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with applicable law and the Articles;
- ensuring that the value of the shares is calculated in accordance with applicable law and the Articles;
- carrying out the instructions of the Management Company or the Fund (as the case may be), unless such instructions conflict with applicable law or the Articles;
- ensuring that, in transactions involving the assets of the Fund, any consideration is remitted to the Fund within the usual time limits;
- ensuring that the income of the Fund is applied in accordance with applicable law and the Articles;
- monitoring and oversight of the Fund's cash and cashflows in accordance with the UCITS Directive and the Luxembourg implementing laws and regulations; and
- safe-keeping of the Fund's assets, including the safe-keeping of financial instruments that can be held in custody and ownership verification and record-keeping in relation to other assets.

Fair Valuation and liquidity

As described in the important information section, financial markets have been impacted by the military invasion of Ukraine. Within the portfolios a small number of Russian securities are held. These securities were fair valued by the Board of Directors and marked as such in the statement of investments. The holding of these securities has not impacted the liquidity of the sub-funds and has not raised any going concern issues for the Fund.

There have not been any significant difficulties in valuing the portfolio since the year end.

Directors' Report

Directors' statement

This report has been prepared in accordance with the requirements of the UCITS Directive 2009/65/EC of the European Parliament and Council of 13 July 2009.

P R Jelfs, Director
L J Mumford, Director 10 July 2023

Independent Auditor's Report

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

Opinion

We have audited the financial statements of M&G (Lux) Investment Funds 1 (the 'Fund') and of each of its sub-funds, which comprise the statement of net assets and the statement of investments as at 31 March 2023, and the statement of operations and changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of each of its sub-funds as at 31 March 2023, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the 'Law of 23 July 2016') and with International Standards on Auditing ('ISAs') as adopted for Luxembourg by the 'Commission de Surveillance du Secteur Financier' ('CSSF'). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the 'responsibilities of the 'réviseur d'entreprises agréé' for the audit of the financial statements' section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ('IESBA Code') as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the 'réviseur d'entreprises agréé' thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund 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 Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' 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 Board of Directors of the Fund either intends to liquidate the Fund or any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

Responsibilities of the 'réviseur d'entreprises agréé' 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 a report of the 'réviseur d'entreprises agréé' that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the 'réviseur d'entreprises agréé' to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the 'réviseur d'entreprises agréé'. However, future events or conditions may cause the Fund or any of its sub-funds (except for the sub-fund where a decision or intention to close exists) to cease to continue as a going concern.
- In respect of the sub-fund where a decision or an intention to close exists, we conclude on the appropriateness of the Board of Directors of the Fund's use of the non-going concern basis of accounting. We also evaluate the adequacy of the disclosures describing the non-going basis of accounting and the reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our report of the 'réviseur d'entreprises agréé'.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pierre-Marie Boul

Ernst & Young
Société anonyme
Cabinet de révision agréé

Luxembourg
10 July 2023

Market review

Financial markets experienced considerable volatility during the 12 months under review as investors grappled with a multitude of worries, including Russia's war on Ukraine, sky-rocketing inflation, interest rate rises and a potential global economic recession. In the final month of the period, turmoil in the banking sector revived fears of a repeat of the global financial crisis. Against this backdrop, global stock and bond markets both declined in value.

Inflation was arguably the dominant theme of the period, as supply disruptions and the rebound in economic activity after the COVID-19 pandemic, combined with soaring food and energy prices after Russia's invasion of Ukraine, pushed price rises to multi-year highs around the world.

As inflation proved more persistent than many policymakers had expected – in the US it reached 9.1% year-on-year in June, the highest level in 40 years[a] – major central banks began raising interest rates aggressively to try and control soaring prices.

The US Federal Reserve raised interest rates 4.5 percentage points in the 12-month period, including four 0.75 percentage point hikes in a row[b]. The Bank of England and the European Central Bank also hiked rates sharply, bringing to an end the era of ultra-low interest rates that had been in place since the global financial crisis in 2008/9.

The combination of soaring inflation and steep interest rate rises sparked fears of a slowdown in the global economy that weighed heavily on investor sentiment. However, the US economy remained relatively resilient, supported by a robust labour market and consumer spending.

The mood among investors became more positive towards the end of 2022, driven in part by signs that inflation was falling, which raised investors' hopes that central banks might slow their interest rate hikes. China's sudden relaxation of its zero-COVID-19 policy and optimism about the reopening of its economy also lifted investor confidence.

Markets remained turbulent right up to the end as the collapse of Silicon Valley Bank in the US and the emergency rescue of Swiss bank Credit Suisse in March raised fears of potential contagion through the global banking sector. The actions of policymakers helped reassure investors, and the crisis had largely eased by the end of the month.

In the 12 months, the MSCI AC World Index of global equities recorded a fall of 7.0% in US dollars. Among developed markets, the US stockmarket was one of the weakest in the review period. In particular, the technology-dominated Nasdaq Composite registered steep declines as investors questioned the valuations of high-growth companies in a high-interest rate environment. In contrast, share prices in Europe performed well, despite concerns about the impact of higher energy prices on economic activity. The UK was relatively resilient too, ending the period up in sterling terms, helped by a high weighting of oil companies and exporters who could benefit from weakness of the pound sterling.

Share prices in Asia ex Japan and emerging markets lagged the broader global index and their developed market counterparts, largely as a result of weakness in China earlier in the period. Stockmarkets in Brazil, South Africa, South Korea and Taiwan were notable laggards. In contrast, share prices in Mexico, Thailand, Turkey outperformed the broader market.

From a sector perspective, energy was the standout performer, buoyed by higher oil prices. Defensive areas (which are generally considered to deliver steady earnings in different economic conditions) were relatively resilient in the market downturn: consumer staples and healthcare stocks outperformed the broader market. Industrials performed well among economically sensitive areas. The weakest sectors included financials, which were hurt by fallout from the banking crisis, communication services and real estate.

The prospect of multiple interest rate increases weighed heavily on government bond markets. UK gilts were the weakest sovereign bonds, hurt by a sharp sell-off following the new government's 'mini-budget',

Market review

which alarmed investors with unfunded tax cuts, in September. US Treasuries fell 4.9% and German bunds ended the period down 11.8%. Investment grade corporate bonds also reflected the weakness, as did riskier high yield debt.

Among commodities, gold made a modest gain. Oil prices fell overall, despite having rallied after the outbreak of the war in Ukraine amid concerns about global supplies. The US dollar appreciated in value against most major currencies, supported by rising interest rates in the US.

M&G Investment Management Limited
31 March 2023

[a] Is this the peak for US inflation? – EFG International
[b] Effective Federal Funds Rate – FEDERAL RESERVE BANK of NEW YORK (newyorkfed.org)

Investment review

For the year ended 31 March 2023

Performance review

The sub-fund delivered a negative total return (the combination of capital growth and income) and was behind the 3-month EURIBOR + 2.5% across all its share classes in the period under review.

The 12-month period under review saw heightened volatility across global bond markets as concerns about persistently high inflation and rising interest rates led to a surge in yields (which move in the opposite direction to bond prices). UK government bonds (gilts) came under particular pressure, most notably following the UK government's poorly received mini-budget announcement at the end of September. Other developed market government bonds also came under pressure, with US Treasuries and German bonds both experiencing steep losses. Corporate bonds also performed poorly although they held up somewhat better than government bonds thanks to their lower sensitivity to movements in interest rates. It was also a poor period for emerging market bonds, especially those markets more closely connected to the ongoing Russia-Ukraine conflict.

Markets remained volatile in the first quarter of 2023, driven by changes in expectations for inflation and interest rates and turmoil in the banking sector. The year started positively, with optimism about China's post-COVID-19 reopening and hopes that inflation might be slowing fuelling a stock market rally in January. However, share prices retreated and bonds sold off in February amid concerns that central banks would keep raising interest rates to tackle persistently high inflation. In March, volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the period amid the belief that the banking crisis had been contained.

Against this backdrop, the sub-fund delivered a negative return over the review period, with performance held back by the overall weakness across fixed income markets. Losses were mitigated by the sub-fund's low sensitivity to movements in interest rates (also known as duration, and measured in years) and defensive credit positioning.

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.

Investment activities

The sub-fund remains cautiously positioned in terms of its duration stance (meaning, it keeps duration relatively short, as generally bonds with longer duration are more sensitive to changes in interest rates), as we think the persistent inflationary backdrop could put further pressure on yields. This is especially the case in the US, where the Federal Reserve has emphasised its commitment to keeping inflation under control through a series of interest rate increases.

Within corporate bonds, we continue to be cautiously positioned with a focus on higher-quality investment grade names. We also maintain a significant allocation to short-dated corporate bonds, which tend to have a low sensitivity to movements in interest rates.

Within currencies, we maintained our 'barbell' approach, consisting on the one hand of defensive 'safe-haven' positions – such as the Japanese yen and the US dollar – and on the other hand, a number of smaller, opportunistic emerging market positions.

Outlook

Financial markets remain very volatile at the time of writing, with concerns over persistent inflation, slowing global growth and the recent turmoil in the banking sector all weighing on sentiment. Investors' appetite for bonds also remains poor given uncertainty over the future direction of central bank policy.

Nevertheless, given the scale of the recent sell-off, we think there are areas of value in fixed income markets, and we believe investors who take a long-term view are being well compensated for taking credit risk. Corporate fundamentals remain generally robust and overall we expect defaults to remain low.

Investment review

However, we maintain our view of not taking on excessive levels of credit risk, particularly given the prospect that interest rates could remain elevated for a number of years. In this environment, we believe that an active and risk-controlled investment approach to the asset class remains crucial.

Wolfgang Bauer
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income					**19,776**	**88.52**
Debt securities					**19,502**	**87.29**
'AAA' credit rated bonds					**3,018**	**13.51**
Australia (Commonwealth of) 1.75%	1,000,000	AU$	21.06.2051		397	1.78
CPPIB Capital 1.125%	250,000	£	14.12.2029		235	1.05
European Investment Bank FRN	171,000	£	08.09.2025		198	0.89
Germany (Federal Republic of) I/L 0.5%	212,000	€	15.04.2030		267	1.19
Harvest CLO VIII FRN	495,631	€	15.01.2031		486	2.17
IDB Trust Services 0.037%	200,000	€	04.12.2024		188	0.84
Norway (Kingdom of) 1.75%	1,900,000	NOK	17.02.2027		160	0.72
Norway (Kingdom of) 2%	2,400,000	NOK	24.05.2023		211	0.94
Precise Mortgage Funding FRN	40,303	£	16.10.2056		46	0.21
RIN II FRN	300,000	US$	10.09.2030		274	1.23
Sound Point Euro CLO III Funding FRN	387,000	€	15.04.2033		377	1.69
Together Asset Backed Securitisation FRN	81,299	£	15.12.2061		93	0.42
Towd Point Mortgage Funding FRN	75,962	£	20.02.2054		86	0.38
'AA' credit rated bonds					**1,029**	**4.60**
Metropolitan Life Global Funding I 0.625%	188,000	£	08.12.2027		176	0.79
New York Life Global Funding 0.25%	221,000	€	23.01.2027		193	0.86
New York Life Global Funding 0.75%	273,000	£	14.12.2028		251	1.12
US Treasury Bond I/I 3.875%	135,000	US$	15.04.2029		259	1.16
US Treasury Note 0.625%	200,000	US$	15.05.2030		150	0.67
'A' credit rated bonds					**4,910**	**21.98**
Alba FRN	175,868	€	15.12.2038		167	0.75
Allianz FRN	100,000	€	31.12.2099		98	0.44
Bank of America FRN	400,000	€	22.09.2026		398	1.78
Banque Fédérative du Crédit Mutuel 0.625%	200,000	€	03.11.2028		165	0.74
BP Capital Markets 1.104%	350,000	€	15.11.2034		253	1.13
CBQ Finance 2%	200,000	US$	15.09.2025		171	0.77
Chubb INA Holdings 0.875%	189,000	€	15.12.2029		156	0.70
Close Brothers Finance 1.625%	134,000	£	03.12.2030		111	0.50
Comcast 2.987%	82,000	US$	01.11.2063		48	0.22
Commerzbank 0.375%	140,000	€	01.09.2027		119	0.53

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Crédit Agricole FRN	200,000	€	21.09.2029		164	0.73
DH Europe Finance II 1.8%	110,000	€	18.09.2049		74	0.33
E-MAC NL I FRN	103,569	€	25.04.2038		100	0.45
Japan (Kingdom of) 0.1%	115,400,000	¥	10.03.2029		873	3.91
JPMorgan Chase FRN	250,000	£	28.04.2026		260	1.16
JPMorgan Chase FRN	200,000	US$	19.11.2026		164	0.73
Landmark Mortgage Securities No. 2 FRN	194,173	€	17.06.2039		182	0.82
Ludgate Funding FRN	168,499	€	01.12.2060		159	0.71
Newgate Funding FRN	339,577	€	15.12.2050		327	1.46
Project Silver 3.967%	199,874	US$	15.07.2044		157	0.70
State Grid Overseas Investment 0.797%	139,000	€	05.08.2026		126	0.56
State Grid Overseas Investment 1.375%	200,000	€	02.05.2025		189	0.85
Svenska Handelsbanken 0.01%	450,000	€	02.12.2027		376	1.68
Vesteda Finance 0.75%	100,000	€	18.10.2031		73	0.33
'BBB' credit rated bonds					**7,278**	**32.58**
ACEF Holding 0.75%	145,000	€	14.06.2028		108	0.48
ACEF Holding 1.25%	100,000	€	26.04.2030		68	0.30
AIB Group FRN	260,000	€	16.02.2029		268	1.20
Altria Group 3.4%	101,000	US$	06.05.2030		82	0.37
Arion Banki 0.375%	200,000	€	14.07.2025		175	0.78
ASR Nederland FRN	150,000	€	30.09.2049		148	0.66
Barclays FRN	150,000	£	31.01.2031		172	0.77
Bayerische Landesbank FRN	100,000	€	23.09.2031		83	0.37
BNP Paribas FRN	100,000	£	24.05.2031		98	0.44
Boeing 3.25%	175,000	US$	01.02.2035		131	0.59
Bunzl Finance 1.5%	147,000	£	30.10.2030		128	0.57
Bureau Veritas 1.125%	100,000	€	18.01.2027		91	0.41
CBRE Global Investors Open-Ended Funds 0.5%	197,000	€	27.01.2028		141	0.63
Crédit Agricole FRN	100,000	£	09.12.2031		95	0.43
Credit Suisse Group FRN	130,000	€	01.03.2029		142	0.64

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Credit Suisse Group 0.625%	200,000	€	18.01.2033		130	0.58
CTP 0.75%	100,000	€	18.02.2027		78	0.35
DP World 4.25%	156,000	£	25.09.2030		164	0.73
DXC Technology 1.8%	34,000	US$	15.09.2026		27	0.12
EnBW Energie Baden-Württemberg FRN	100,000	€	29.06.2080		88	0.39
Engie 5.95%	42,000	€	16.03.2111		49	0.22
EWE 0.25%	150,000	€	08.06.2028		127	0.57
FFP 1.875%	100,000	€	30.10.2026		88	0.39
Fraport Frankfurt Airport Services Worldwide 1.875%	163,000	€	31.03.2028		144	0.65
Hammerson 6%	150,000	£	23.02.2026		157	0.70
Heathrow Funding 1.875%	141,000	€	14.03.2034		111	0.50
ING Groep FRN	200,000	€	29.09.2028		167	0.75
Legal & General Group FRN	184,000	£	26.11.2049		176	0.79
Lloyds Banking Group FRN	100,000	£	15.12.2031		97	0.43
Logicor Financing 1.625%	100,000	€	15.07.2027		79	0.35
Logicor Financing 2.75%	150,000	£	15.01.2030		132	0.59
Mexico (United Mexican States) 1.125%	220,000	€	17.01.2030		180	0.81
Mexico (United Mexican States) 1.45%	142,000	€	25.10.2033		103	0.46
Mexico (United Mexican States) 4.5%	275,000	US$	31.01.2050		202	0.90
Mexico (United Mexican States) 10%	3,190,000	MXN	05.12.2024		161	0.72
Mitchells & Butlers Finance FRN	40,401	US$	15.12.2030		34	0.15
Mondeléz International 0.25%	115,000	€	17.03.2028		97	0.43
National Grid 0.163%	324,000	€	20.01.2028		274	1.23
Nationwide Building Society FRN	150,000	£	07.12.2027		173	0.77
NatWest Group FRN	200,000	US$	18.05.2029		175	0.78
Portugal (Republic of) 1%	201,062	€	12.04.2052		106	0.48
Prosus 1.288%	400,000	€	13.07.2029		305	1.37
Quadient 2.25%	100,000	€	03.02.2025		95	0.43
Romania (Republic of) 3.875%	100,000	€	29.10.2035		76	0.34
Romania (Republic of) 4.625%	86,000	€	03.04.2049		64	0.29

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Santander UK Group Holdings FRN	255,000	€	13.09.2029		202	0.90
Sofina 1%	300,000	€	23.09.2028		233	1.04
Traton Finance Luxembourg 0.75%	200,000	€	24.03.2029		166	0.74
Unibail-Rodamco-Westfield 0.875%	300,000	€	29.03.2032		206	0.92
Verizon Communications 0.75%	171,000	€	22.03.2032		131	0.59
Volkswagen Financial Services 0.125%	300,000	€	12.02.2027		258	1.16
Volkswagen Leasing 0.375%	100,000	€	20.07.2026		89	0.40
Vonovia 0.625%	100,000	€	14.12.2029		73	0.33
Vonovia 1.625%	100,000	€	01.09.2051		46	0.21
WPC Eurobond 1.35%	103,000	€	15.04.2028		85	0.38
'BB' credit rated bonds					**2,454**	**10.98**
Banco de Sabadell FRN	400,000	€	16.06.2028		325	1.45
Cellnex Finance 2%	100,000	€	15.02.2033		77	0.34
Cheniere Energy Partners 3.25%	32,000	US$	31.01.2032		24	0.11
Colombia (Republic of) 9.75%	200,000,000	COP	26.07.2028		34	0.15
Energy Transfer Operating FRN	50,000	US$	01.11.2066		33	0.15
GTC Aurora Luxembourg 2.25%	149,000	€	23.06.2026		118	0.53
Heimstaden 4.375%	100,000	€	06.03.2027		70	0.31
Heimstaden Bostad FRN	200,000	€	31.12.2099		124	0.56
ICCREA Banca FRN	100,000	€	17.01.2027		90	0.40
Iliad 1.875%	200,000	€	11.02.2028		168	0.75
Iliad 2.375%	200,000	€	17.06.2026		184	0.82
Mahle 2.375%	400,000	€	14.05.2028		307	1.37
Pilgrim's Pride 3.5%	214,000	US$	01.03.2032		158	0.71
Rolls-Royce 1.625%	100,000	€	09.05.2028		83	0.37
SES FRN	300,000	€	31.12.2099		245	1.10
TEGNA 4.625%	137,000	US$	15.03.2028		110	0.49
Vodafone Group FRN	100,000	£	03.10.2078		109	0.49
Wabtec Transportation 1.25%	106,000	€	03.12.2027		93	0.42
Western Midstream Operating 4.65%	20,000	US$	01.07.2026		18	0.08

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
ZF Europe Finance 3%	100,000	€	23.10.2029		84	0.38
'B' credit rated bonds					**610**	**2.73**
CCO Holdings Via CCO Holdings Capital 5.125%	90,000	US$	01.05.2027		78	0.35
Egypt (Republic of) 5.625%	150,000	€	16.04.2030		90	0.40
Petróleos Mexicanos 3.75%	300,000	£	16.11.2025		310	1.39
Rakuten Group FRN	250,000	€	31.12.2099		132	0.59
'CCC' credit rated bonds					**123**	**0.55**
Boparan Finance 7.625%	120,000	£	30.11.2025		89	0.40
Russia (Federation of) 8.15%[a]	7,760,000	RUB	03.02.2027		34	0.15
'CC' credit rated bonds						
Ukraine (Republic of) 6.75%	150,000	€	20.06.2028		**26**	**0.12**
'C' credit rated bonds						
NAK Naftogaz Ukraine Via Kondor Finance 7.625%	200,000	US$	08.11.2026		**36**	**0.16**
'D' credit rated bonds						
China Evergrande Group 7.5%	250,000	US$	28.06.2023		**18**	**0.08**
Debt derivatives					**274**	**1.23**
Credit default swaps					**(30)**	**(0.13)**
Amgen Jun 2023	250,000	US$			(1)	0.00
Markit CDX North American Investment Grade Series 40 5 Year Jun 2028	4,000,000	US$			(39)	(0.17)
Markit iTraxx Europe Crossover Series 39 5 Year Jun 2028	600,000	€			12	0.05
Markit iTraxx Europe Senior Financials Series 39 5 Year Jun 2028	600,000	€			0	0.00
Markit iTraxx Europe Series 39 10 Year Jun 2033	1,200,000	€			18	0.08
Markit iTraxx Europe Series 39 5 Year Jun 2028	8,000,000	€			(51)	(0.23)
Markit iTraxx Europe Sub Financials Series 39 5 Year Jun 2028	750,000	€			31	0.14
Interest rate swaps					**441**	**1.97**
Pay 0.0472% Receive Var. Aug 2050	470,000	€			232	1.04
Pay 1.0817% Receive Var. Sep 2050	550,000	US$			209	0.93

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt derivatives (continued)						
Interest rate futures					**(137)**	**(0.61)**
Deutscher Bobl 5 year Futures	(30)	€	08.06.2023	30	(73)	(0.33)
Deutscher Bund 10 year Futures	(8)	€	08.06.2023	8	(36)	(0.16)
Deutscher Schatz 2 year Futures	(4)	€	08.06.2023	4	(4)	(0.02)
Euro BTP Futures	(4)	€	08.06.2023	4	(17)	(0.07)
Euro-Bono SP Gov Futures	(3)	€	08.06.2023	3	(13)	(0.06)
US Treasury Notes 10 year Futures	9	US$	21.06.2023	8	25	0.11
US Ultra Bond Futures	4	US$	21.06.2023	3	17	0.08
UK Treasury Notes Futures	(8)	£	28.06.2023	10	(21)	(0.09)
US Treasury Notes 5 year Futures	(8)	US$	30.06.2023	7	(15)	(0.07)
Currency					**62**	**0.28**
Forward currency contracts					**62**	**0.28**
Bought for € 3,567,974.71, Sold for £ 3,119,194.85			26.04.2023		20	0.09
Bought for € 2,359,965.79, Sold for US$ 2,521,540.18			26.04.2023		42	0.19
Bought for ¥ 429,455.00, Sold for € 3,087.78			26.04.2023		0	0.00
Bought for US$ 81,678.24, Sold for € 75,458.46			26.04.2023		0	0.00
Portfolio of investments					**19,838**	**88.80**
Cash equivalents					**1,488**	**6.66**
'AAA' rated money market funds						
Northern Trust Global Funds - Euro Liquidity Fund Class 'D' (Accumulation)	1,536,189	€			**1,488**	**6.66**
Share class hedging					**(17)**	**(0.07)**
Bought for CHF 93,588.84, Sold for € 96,292.97			19.04.2023		(3)	(0.01)
Bought for € 296.92, Sold for CHF 295.10			19.04.2023		0	0.00
Bought for € 90,193.70, Sold for £ 79,376.92			19.04.2023		0	0.00
Bought for € 41,373.90, Sold for US$ 44,482.79			19.04.2023		0	0.00
Bought for £ 1,595,727.40, Sold for € 1,802,184.62			19.04.2023		13	0.06
Bought for US$ 2,064,918.87, Sold for € 1,926,403.67			19.04.2023		(27)	(0.12)
Total portfolio					**21,309**	**95.39**
Net other assets/(liabilities)					1,031	4.61
Net assets					**22,340**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Debt securities	19,502	87.29
Swap contracts	502	2.24
Unrealised gains on futures contracts	42	0.19
Unrealised gains on forward currency contracts	75	0.34
Total Investment assets	**20,121**	**90.06**
Investment liabilities		
Swap contracts	(91)	(0.40)
Unrealised losses on futures contracts	(179)	(0.80)
Unrealised losses on forward currency contracts	(30)	(0.13)
Total Investment liabilities	**(300)**	**(1.33)**
Total portfolio	**19,821**	**88.73**
Cash equivalents	**1,488**	**6.66**
Net other assets/(liabilities)	**1,031**	**4.61**
Net assets	**22,340**	**100.00**

[a] Illiquid.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures			
	Swaps €'000	Forward currency contracts €'000	Futures €'000	Collateral held as cash €'000
Bank of America Merrill Lynch	0	0	77	0
Barclays Bank London	1,420,418	0	0	773
Citigroup Global Markets Limited	22,945	0	0	0
HSBC Bank Plc	0	4,694	0	0
JP Morgan London	0	137	0	0
State Street Bank and Trust Company	0	7,898	0	0
State Street Bank and Trust Company, London Branch	0	7,125	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-3.8	+0.5	-0.6	-0.2	21.12.16
Class 'A' Distribution	-3.8	+0.5	-0.6	-0.2	21.12.16
Class 'B' Accumulation	-4.1	+0.2	n/a	-0.9	08.05.18
Class 'B' Distribution	-4.1	+0.2	n/a	-0.9	08.05.18
Class 'C' Accumulation	-3.2	+1.1	0.0	+0.4	21.12.16
Class 'C' Distribution	-3.2	+1.1	0.0	+0.4	21.12.16
Class 'CI' Accumulation	-3.2	+1.2	+0.1	+0.4	21.12.16
Sterling					
Class 'C-H' Accumulation	-1.7	+2.1	+1.0	+1.3	21.12.16
Class 'C-H' Distribution	-1.6	+2.1	+1.0	+1.3	21.12.16
Swiss franc					
Class 'A-H' Accumulation	-4.5	+0.1	-1.0	-0.6	21.12.16
Class 'A-H' Distribution	-4.6	+0.1	-1.0	-0.7	21.12.16
Class 'C-H' Accumulation	-4.0	+0.7	-0.4	0.0	21.12.16
Class 'C-H' Distribution	-4.0	+0.7	-0.4	-0.1	21.12.16
US dollar					
Class 'A-H' Accumulation	-1.3	+2.0	+1.5	+1.9	21.12.16
Class 'A-H' Distribution	-1.3	+2.0	+1.5	+1.8	21.12.16
Class 'C-H' Accumulation	-0.7	+2.7	+2.1	+2.5	21.12.16
Class 'C-H' Distribution	-0.6	+2.7	+2.1	+2.5	21.12.16

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	297,641.780	9.8461	10.2364	10.5918
Class 'A' Distribution	30,909.711	8.7165	9.1896	9.6675
Class 'B' Accumulation	212,253.650	9.5784	9.9880	10.3658
Class 'B' Distribution	1,307.000	8.7185	9.2191	9.7276
Class 'C' Accumulation	520,100.210	10.2251	10.5666	10.8679
Class 'C' Distribution	494,441.211	9.0530	9.4869	9.9204
Class 'CI' Accumulation	356,628.000	10.2529	10.5914	10.8893
Sterling		**£**	**£**	**£**
Class 'C-H' Accumulation	133,880.804	10.8487	11.0320	11.2637
Class 'C-H' Distribution	5,242.677	9.6046	9.9037	10.2826
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,505.000	9.6047	10.0585	10.4309
Class 'A-H' Distribution	2,510.000	8.4976	9.0294	9.5228
Class 'C-H' Accumulation	2,517.000	9.9770	10.3890	10.7067
Class 'C-H' Distribution	2,520.000	8.8272	9.3243	9.7728
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	5,541.795	11.2304	11.3815	11.6716
Class 'A-H' Distribution	2,517.500	9.9329	10.2071	10.6468
Class 'C-H' Accumulation	162,072.535	11.6511	11.7369	11.9637
Class 'C-H' Distribution	2,527.500	10.3311	10.5427	10.9328

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	22,340	27,839	35,481
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**22,340**	**27,839**	**35,481**

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.22
Class 'A' Distribution	1.22
Class 'B' Accumulation	1.52
Class 'B' Distribution	1.52
Class 'C' Accumulation	0.62
Class 'C' Distribution	0.62
Class 'CI' Accumulation	0.58
Sterling	**%**
Class 'C-H' Accumulation	0.64
Class 'C-H' Distribution	0.64
Swiss franc	**%**
Class 'A-H' Accumulation	1.23
Class 'A-H' Distribution	1.23
Class 'C-H' Accumulation	0.62
Class 'C-H' Distribution	0.62
US dollar	**%**
Class 'A-H' Accumulation	1.24
Class 'A-H' Distribution	1.23
Class 'C-H' Accumulation	0.64
Class 'C-H' Distribution	0.61

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

Over the 12-month review period, the sub-fund recorded a negative return with stock selection being the main driver of outperformance.

Stockmarkets in Asia Pacific ex Japan were volatile over the period under review. Initially, growing concerns about the global economy and higher interest rates, to curb inflation, unsettled investors and stockmarkets fell. However, by the fourth quarter of 2022, signs that inflation was slowing raised investors' hopes that central banks might in turn slow their interest rate hikes.

Furthermore, towards the end of 2022, signs that Chinese authorities were prepared to ease COVID-19 quarantine rules were well-received and boosted share prices not only in China and Hong Kong, but elsewhere in the region. Another key driver of the rally, in our view, was the extremely depressed starting point for sentiment and valuations.

Over the 12 months as a whole, stockmarkets in China, Indonesia, Singapore and Thailand outperformed, whereas markets in India, the Philippines, South Korea and Taiwan lagged the regional index.

Key contributors to the sub-fund's outperformance included Miniso, Indonesia's Bank Mandiri and Yangzijiang Shipbuilding.

Miniso is a discount retailer that is growing rapidly both in China and overseas. The company's advanced logistics capability offers a tremendous competitive advantage, in our view, in a sector where operating cost competitiveness is critical to success. Bank Mandiri was a beneficiary of the buoyant Indonesian economy and stockmarket in general.

Towards the end of 2022, Yangzijiang received accreditation to manufacture large-scale LNG (liquefied natural gas) transporting ships and won some large-scale container ship orders, which boosted its share price. We believe the market is materially underestimating the scope for profit growth in 2023 and beyond, as margins rise sharply in response to better priced orders, falling steel prices and a weaker renminbi.

Conversely, holdings in SK Hynix, SK Square and JD.Com held back relative returns. South Korea's SK Hynix and SK Square were caught up in general weakness in the semiconductor sector, while shares in Chinese e-commerce company JD.Com fell back on fears about the strength of consumer spending in China.

Investment activity

We were active throughout the 12-month period, taking advantage of market volatility to trim some positions and add to other holdings, where we felt shares had been unfairly sold off.

We also established several new positions, including Brilliance, which we have followed for more than decade and which owns a stake in BMW's China operations. We invested when the company was re-listed in October 2022 – its shares had been suspended whilst fraud was being investigated and new audit controls were put in place. Unsurprisingly, some investors were keen to exit the stock, but we saw it as an excellent opportunity to invest at an attractive level and Brilliance was a top 10 contributor during the review period.

In financials, we began a holding in Indonesia's Bank Rakyat. Rakyat is a micro-finance focused bank and we feel its operations have many years of profitable growth ahead of them, while at the same time expanding access to formal finance to poorer parts of Indonesia society. We also invested in Samsung Life, whose underlying insurance business we believe is set to benefit from regulatory change, and began a position in Bank of China (Hong Kong). At the same time we closed positions in South Korea's Hana Financial and Shinhan Financial and Taiwan's Yuanta Financial.

Another new holding was Samsung Electro Mechanics (SEMCO). SEMCO is a technology company that we believe has a strong, structural growth runway over the medium term, but whose shares sold off ahead of our investment, on near-term cyclical fears.

Investment review

Other holdings that left the portfolio included telecommunication services holdings, China Unicom, China Mobile and China Telecom, after material outperformance, and Taiwan Cement. Taiwan Cement had significantly outperformed its Chinese peers and we felt an insufficient margin of safety remained, given the risk of structural oversupply.

Outlook

We believe the year ahead will see Asian economies fully reopen from COVID-19 restrictions and that the region, albeit with a lag, should get a boost as China fully opens. However, there is the potential for market volatility as investors weigh near-term Chinese economic weakness versus post-COVID-19 normalisation further out. Ultimately though, our sense is that broader market valuations, reinforced by the bottom-up stock opportunities we see, are offering a sufficient margin of safety to invest on the basis of a regional recovery, gradually gaining momentum through 2023.

Our investment strategy is all about bottom-up, differentiated research on individual stocks within our investment universe. We do not try to forecast the future, rather, we are trying to price risk successfully in names where we have identified a meaningful divergence between the price of a business and what we think is its underlying value.

David Perrett
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 9 November 2022, the sub-fund was 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. From 10 November 2022, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**55,839**	**98.90**
United States						
Nexteer Automotive Group	417,000	HK$			**264**	**0.47**
Australia					**8,327**	**14.75**
Amcor	109,631	AU$			1,224	2.17
Australia & New Zealand Banking Group	61,736	AU$			947	1.68
BHP Group	55,433	AU$			1,751	3.10
BlueScope Steel	42,990	AU$			579	1.03
Brambles	52,454	AU$			472	0.84
CSL	1,785	AU$			344	0.61
Mesoblast	377,987	AU$			240	0.42
National Australia Bank	48,321	AU$			895	1.58
Stockland	322,895	AU$			859	1.52
Woodside Energy Group	45,550	AU$			1,016	1.80
China					**15,796**	**27.98**
Alibaba Group Holding	101,908	HK$			1,307	2.31
Autohome ADR	14,915	US$			501	0.89
Baidu 'A'	15,900	HK$			302	0.53
CGN Power 'H'	1,881,000	HK$			450	0.80
China Construction Bank 'H'	1,669,000	HK$			1,083	1.92
GF Securities 'H'	381,600	HK$			542	0.96
H World Group ADR	15,774	US$			772	1.37
Hainan Meilan Internationa 'H'	294,000	HK$			720	1.28
Han's Laser Technology Industry Group 'A'	114,400	CNY			505	0.89
Huatai Securities 'H'	436,800	HK$			500	0.89
JD.com 'A'	56,226	HK$			1,236	2.19
Jiangsu Zhongtian Technology	236,900	CNY			588	1.04
KE Holdings	31,500	US$			588	1.04
Meituan 'B'	23,980	HK$			440	0.78
MINISO Group Holding	30,256	US$			546	0.97
MINISO Group Holding	51,840	HK$			237	0.42
Ping An Insurance Group of China 'H'	44,500	HK$			290	0.51
Sinopec Engineering Group 'H'	1,401,000	HK$			700	1.24

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
China (continued)						
Tencent Holdings	44,800	HK$			2,202	3.90
TravelSky Technology 'H'	245,000	HK$			458	0.81
Weichai Power 'H'	404,000	HK$			649	1.15
Yangzijiang Shipbuilding Holdings	845,200	SG$			766	1.36
Zai Lab	12,367	US$			414	0.73
Hong Kong					**9,274**	**16.43**
AIA Group	114,600	HK$			1,209	2.14
BOC Hong Kong Holdings	210,500	HK$			657	1.16
Brilliance China Automotive Holdings	1,624,000	HK$			714	1.27
CK Hutchison Holdings	124,000	HK$			772	1.37
CK Infrastructure Holdings	103,500	HK$			564	1.00
COSCO SHIPPING Ports	1,227,285	HK$			821	1.45
Hutchison China MediTech ADR	28,294	US$			379	0.67
Hutchmed China	44,500	HK$			117	0.21
Pacific Basin Shipping	3,176,000	HK$			1,228	2.18
Sinopec Kantons Holdings	2,536,000	HK$			932	1.65
Sun Hung Kai Properties	68,500	HK$			960	1.70
Techtronic Industries	39,500	HK$			428	0.76
VTech Holdings	82,400	HK$			493	0.87
Indonesia					**1,469**	**2.60**
Bank Mandiri Persero	1,393,800	IDR			961	1.70
Bank Rakyat Indonesia Persero	1,607,500	IDR			508	0.90
India					**4,547**	**8.05**
Cartrade Tech	44,389	INR			210	0.37
Housing Development Finance	48,798	INR			1,560	2.76
ICICI Bank ADR	41,188	US$			886	1.57
Reliance Industries	25,230	INR			715	1.27
Supreme Industries	17,988	INR			550	0.97
Tech Mahindra	46,609	INR			626	1.11
Singapore					**2,429**	**4.30**
DBS Group Holdings	53,209	SG$			1,321	2.34

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Singapore (continued)						
Ezion Holdings (Warrant)[a]	5,385,126	SG$			0	0.00
NetLink NBN Trust	1,200,600	SG$			778	1.38
Vertex Technology Acquisition	96,400	SG$			330	0.58
South Korea					**7,612**	**13.48**
Hyundai Motor Pref.	9,042	KRW			655	1.16
KB Financial Group	18,946	KRW			694	1.23
NAVER	2,077	KRW			323	0.57
Samsung Electro-Mechanics	3,733	KRW			438	0.78
Samsung Electronics	56,121	KRW			2,757	4.88
Samsung Fire & Marine Insurance	4,868	KRW			771	1.37
Samsung Life Insurance	11,857	KRW			572	1.01
SK Hynix	7,416	KRW			504	0.89
SK Telecom	10,148	KRW			376	0.67
SKC	5,948	KRW			522	0.92
Taiwan					**5,166**	**9.15**
Delta Electronics	69,000	TW$			682	1.21
MediaTek	23,000	TW$			594	1.05
Taiwan Semiconductor Manufacturing	222,000	TW$			3,890	6.89
Thailand					**953**	**1.69**
Bangkok Bank	122,500	THB			544	0.96
Kasikornbank	105,200	THB			409	0.73
Cayman Islands						
Vertex Technology Acquisition (Warrant)	30,000	US$			**2**	**0.00**
Portfolio of investments					**55,839**	**98.90**
Cash equivalents					**730**	**1.29**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	730,000	US$			**730**	**1.29**
Total portfolio					**56,569**	**100.19**
Net other assets/(liabilities)					(107)	(0.19)
Net assets					**56,462**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	55,839	98.90
Total Investment assets	**55,839**	**98.90**
Total portfolio	**55,839**	**98.90**
Cash equivalents	**730**	**1.29**
Net other assets/(liabilities)	**(107)**	**(0.19)**
Net assets	**56,462**	**100.00**

[a] Fair valued.

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-1.2	+15.2	+5.0	+7.8	28.11.01	26.10.18
Class 'C' Accumulation	-0.5	+16.1	+5.8	+8.5	28.11.01	26.10.18
Class 'CI' Accumulation	-0.4	+16.1	+5.8	+8.5	28.11.01	06.11.18
US dollar						
Class 'A' Accumulation	-3.2	+14.9	+2.4	+8.3	19.12.08	26.10.18
Class 'C' Accumulation	-2.4	+15.8	+3.2	+9.1	19.12.08	26.10.18

[a] Sub-fund performance before the launch of the sub-fund on 26 October 2018 is that of the relevant Merged Share Class of the M&G Asian Fund, which includes UK taxes but excludes entry and exit charges. The M&G Asian Fund is a UK authorised sub-fund which launched on 14 September 1973 and its non-Sterling share classes merged into M&G (Lux) Asian Fund on 26 October 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	700,424.721	49.4187	50.0194	48.9378
Class 'C' Accumulation	117,043.919	57.3210	57.5826	55.9148
Class 'CI' Accumulation	665,857.208	13.4779	13.5345	13.1377
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	57,399.698	31.0716	32.1001	33.2157
Class 'C' Accumulation	74.852	34.5786	35.4456	36.3971

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	56,462	60,718	61,049
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**56,462**	**60,718**	**61,049**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.74
Class 'C' Accumulation	0.99
Class 'CI' Accumulation	0.95
US dollar	**%**
Class 'A' Accumulation	1.74
Class 'C' Accumulation	0.96

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the period from 2 March 2023 (launch date of the sub-fund) to 31 March 2023

Performance review

The M&G (Lux) Better Health Solutions Fund is a concentrated portfolio of global stocks, investing over the long term in companies that are delivering solutions to address better health and well-being alongside a financial return, using a disciplined stock selection process. The sub-fund launched on 2 March 2023.

The sub-fund holds around 30-40 stocks from around the world, across three clear categories: 'pioneers', 'enablers' and 'leaders', which help to provide additional diversification across industries, end-markets, and maturity of business models.

From an impact perspective, slightly over half of the portfolio is invested in companies promoting better health. As a result, nearly 70% of the portfolio is invested in healthcare stocks, and this includes leading Danish pharmaceutical company Novo Nordisk, which has strong expertise across diabetes, obesity, growth disorders and haemophilia. The sub-fund also has significant positions in Quest Diagnostics, an innovative provider of diagnostic testing, and Thermo Fisher Scientific, a provider of products and services for scientific research, diagnostics, and therapeutics.

The balance of the portfolio is invested in companies that support either better lifestyle or better hygiene and safety. This includes The Gym Group, which offers affordable and accessible gym memberships. This service reduces premature mortality, and promotes mental health and physical well-being.

The sub-fund embraces the UN Sustainable Development Goals (SDGs) framework. Over 85% of the portfolio is invested in companies that support SDG3: Good Health and Well-being. An example of this is eye care specialist Alcon. By preventing and treating non-communicable eye disease, Alcon contributes to the achievement of SDG3 – ensuring healthy lives and promoting well-being for all. Similarly, Alihealth, a Chinese online retailer of medical prescriptions, widens access to safe and quality affordable medicines and therefore supports SDG3.

Outlook

While there are signs of weakening inflation, particularly in the US, tight job markets suggest inflationary pressures remain, with slowing global growth leading to expectations of recession and uncertainty around what central bank rate decisions might be. It looks likely to be a case of not 'if' there will be a recession, but how deep and long the global slowdown is likely to last.

These conditions may make equities look risky, but our sub-fund remains balanced and diversified, with a focus on being prepared for volatility ahead. Strong stock selection underpins our sub-fund giving us confidence they can weather a downturn. We continue to invest in quality companies that are well-positioned to survive and thrive in the long term. We continue to hunt for companies where we can find value.

Looking at the current portfolio, we remain confident in the quality of the companies we invest in, and we continue to be optimistic about their ability to generate long-term value, while also delivering solutions to the challenge of better health and well-being.

Jasveet Brar
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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.

Investment review

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

The sub-fund is categorised as an Article 9 fund under SFDR. Information related to the sustainable investments of the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**12,361**	**98.01**
Chemicals					**692**	**5.49**
Ecolab	2,484	US$			406	3.22
Koninklijke DSM	2,460	€			286	2.27
Professional services					**546**	**4.33**
Intertek Group	8,140	£			408	3.24
Marlowe	19,823	£			138	1.09
Auto components						
Autoliv	5,098	US$			**472**	**3.74**
Household durables						
MSA Safety	1,832	US$			**242**	**1.92**
Leisure products						
Shimano	2,600	¥			**447**	**3.54**
Hotels, restaurants & leisure						
Gym Group	82,265	£			**92**	**0.73**
Household products						
Colgate-Palmolive	6,831	US$			**514**	**4.08**
Personal products						
Haleon	73,255	£			**292**	**2.32**
Health care equipment & supplies					**1,954**	**15.49**
Alcon	6,292	CHF			444	3.52
Becton Dickinson	2,493	US$			612	4.85
DiaSorin	2,496	€			263	2.09
Edwards Lifesciences	3,344	US$			273	2.16
Masimo	1,327	US$			238	1.89
Xvivo Perfusion	5,436	SEK			124	0.98
Health care providers & services					**1,498**	**11.88**
Fresenius Medical Care	6,226	€			264	2.09
Quest Diagnostics	4,396	US$			613	4.86
UnitedHealth Group	1,320	US$			621	4.93
Health care technology					**435**	**3.45**
Teladoc Health	1,968	US$			49	0.39
Veeva Systems 'A'	2,152	US$			386	3.06

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Biotechnology					**423**	**3.35**
Grifols 'B'	35,563	€			255	2.02
PureTech Health	60,837	£			168	1.33
Pharmaceuticals					**2,697**	**21.38**
ALK-Abello	18,840	DKK			290	2.30
AstraZeneca	4,468	£			624	4.95
GSK	26,716	£			473	3.75
Novo Nordisk 'B'	6,600	DKK			1,042	8.26
Zoetis	1,623	US$			268	2.12
Life sciences tools & services					**1,504**	**11.92**
Agilent Technologies	2,804	US$			378	3.00
Illumina	1,145	US$			259	2.05
Oxford Nanopore Technologies	38,174	£			101	0.80
Thermo Fisher Scientific	1,359	US$			766	6.07
Insurance						
AMERISAFE	8,857	US$			**432**	**3.43**
IT services						
Alibaba Health Information Technology	166,000	HK$			**121**	**0.96**
Portfolio of investments					**12,361**	**98.01**
Total portfolio					**12,361**	**98.01**
Net other assets/(liabilities)					251	1.99
Net assets					**12,612**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	12,361	98.01
Total Investment assets	**12,361**	**98.01**
Total portfolio	**12,361**	**98.01**
Net other assets/(liabilities)	**251**	**1.99**
Net assets	**12,612**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-fund performance

As the sub-fund has not yet operated for a 12-month period long-term performance figures have not been calculated. Please see the sub-fund's Key Investor Information Document (available from our website at mandg.lu) for recently available performance information.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the financial period from 2 March 2023 (launch date of the sub-fund) to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	1,000.000	9.9695	n/a	n/a
Class 'A' Distribution	1,001.000	9.9695	n/a	n/a
Class 'C' Accumulation	1,002.000	9.9774	n/a	n/a
Class 'C' Distribution	1,004.000	9.9774	n/a	n/a
Class 'CI' Accumulation	4,600.000	9.9782	n/a	n/a
Class 'LI' Accumulation	4,601.000	9.9817	n/a	n/a
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	1,000.000	9.8819	n/a	n/a
Class 'CI' Accumulation	4,600.000	9.8828	n/a	n/a
Class 'LI' Accumulation	4,601.000	9.8864	n/a	n/a
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	1,000.000	10.1992	n/a	n/a
Class 'C' Accumulation	1,001.000	10.2073	n/a	n/a
Class 'CI' Accumulation	4,600.000	10.2083	n/a	n/a
Class 'LI' Accumulation	1,204,601.000	10.2119	n/a	n/a

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	12,612	n/a	n/a
Swing pricing adjustment (see note 10)	25	n/a	n/a
Swing net assets	**12,637**	**n/a**	**n/a**

M&G (Lux) Better Health Solutions Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.94
Class 'A' Distribution	1.94
Class 'C' Accumulation	0.94
Class 'C' Distribution	0.94
Class 'CI' Accumulation	0.94
Class 'LI' Accumulation	0.49
Sterling	**%**
Class 'C' Accumulation	0.95
Class 'CI' Accumulation	0.94
Class 'LI' Accumulation	0.49
US dollar	**%**
Class 'A' Accumulation	1.95
Class 'C' Accumulation	0.95
Class 'CI' Accumulation	0.94
Class 'LI' Accumulation	0.49

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

Global stockmarkets fell over the review period as central banks hiked interest rates in a bid to cool inflation. The pace of price increases hit multi-decade highs as the war in Ukraine led to a surge in commodity costs. Manufacturers also struggled to revive supply chains after COVID-19-related disruptions.

The sub-fund delivered a negative return. Stock selection in technology contributed positively as did the underweight in consumer discretionary. The sub-fund's lack of exposure to communication services also helped. Utilities and consumer staples were the biggest drags on the sub-fund's performance, mainly because of stockpicking. A lack of exposure to energy also weighed on returns.

The biggest positive contributor was onsemi (formerly ON Semiconductor). The chipmaker surpassed earnings expectations and has been a beneficiary of US efforts to boost domestic production of semiconductors. An off-benchmark position in industrial-gas maker Linde was also positive, along with the sub-fund's holding in Brambles. The pallet-pool operator surpassed its annual results guidance.

Drinks-can maker Ball Corporation led negative contributors to the sub-fund's relative performance. The company faced rising costs, including energy. Demand also cooled as the cost-of-living crisis dented consumer spending. Darling Ingredients, which makes renewable diesel and agro-food products, was another drag after missing earnings expectations. Wind-farm operator Orsted weighed on performance amid rising materials costs.

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.

Investment activities

The sub-fund maintains a concentrated portfolio of usually fewer than 40 sustainable and impactful businesses. The past year saw companies both enter and leave the list of holdings as volatile equity markets created opportunities.

We added five new investments to the portfolio over the reporting period. The additions included Tomra Systems, a maker of reverse vending machines used to collect and sort materials for recycling. We also opened a position in online marketplace eBay, which supports the circular economy, and Enphase Energy, a producer of solar-power equipment for residential and commercial properties.

The other new additions over the period were Alfen and Befesa. Alfen makes equipment for smart power grids, such as transformer stations and electric-vehicle charging points. Befesa runs plants that process and recycle hazardous waste. It has operations across Europe, Asia and North America.

We closed positions in six companies during the reporting period. Green hydrogen company ITM Power and clean-energy solutions provider AES Brasil were among the exits, along with Austrian power generator Verbund. We also sold out from recycling technology company Umicore, rail-equipment supplier Wabtec, and Linde.

Engagement activity

ESG engagements are a key focus for the sub-fund in order to help investment companies improve their impact and sustainability standards. A key engagement in the reporting period was encouraging stone-wool insulation maker Rockwool to provide greater clarity on how a proposed company donation for reconstruction in Ukraine would be used. We also asked it to upgrade its current 'human rights commitment' to a more detailed human rights policy, to ensure it was taking account of all appropriate human rights-related risks.

We also met with US engineering simulation software developer Ansys to encourage it to establish emission reduction targets and commit to the Science Based Targets initiative (SBTi), to disclose the drivers of its scope 1 and 2 footprint and provide a timeframe for scope 3 disclosures. We also asked for disclosure of the

Investment review

company's 'scope 4' (avoided) emissions, to better allow us to quantify the real world impacts it was delivering.

Similarly, we engaged with Ball Corporation to discuss their decarbonisation plans and push for increased ambition around scope 3 emissions. The company is currently working to align its scope 3 emission reduction target with a temperature increase of no more than 1.5°C above pre-industrial times (rather than 2°C).

We held meetings with US waste specialist Republic Services to encourage the company's recycling efforts, including a request for more granular recycling data. We also asked the company to engage with ESG data providers, particularly in light of its acquisition of hazardous waste company US Ecology.

Outlook

Global stockmarkets face a rapidly evolving economic environment. The outlook for interest rates is uncertain as inflation starts to cool, while remaining near historically high levels. The collapse of Silicon Valley Bank in the US is also evidence that higher rates maintain the capacity to produce market shocks even after a year-long cycle of rate increases.

The decarbonisation of the energy sector is a key global challenge, and it has gained new impetus in the past year. The war in Ukraine has boosted interest in alternatives to fossil fuels because the conflict has driven up energy prices, sparked a cost-of-living crisis and stoked concerns about energy security. There also remain plenty of opportunities for climate solutions across numerous other sectors, in our view, including low-carbon buildings, clean transportation, sustainable forestry and recycling.

Michael Rae
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 9 fund under SFDR. Information related to the sustainable investments of the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**11,092**	**96.66**
Chemicals						
Linde	2,168	€			**757**	**6.60**
Containers & packaging					**752**	**6.55**
Ball	7,381	US$			401	3.49
DS Smith	89,913	£			351	3.06
Building products					**924**	**8.05**
Johnson Controls International	8,499	US$			506	4.41
ROCKWOOL International 'B'	1,025	DKK			251	2.19
Trex	3,582	US$			167	1.45
Electrical equipment					**1,377**	**12.00**
Alfen Beheer	2,962	€			232	2.02
Ceres Power Holdings	42,801	£			205	1.79
Schneider Electric	3,669	€			608	5.30
Vestas Wind Systems	11,526	DKK			332	2.89
Machinery						
Spirax-Sarco Engineering	2,072	£			**304**	**2.65**
Commercial services & supplies					**1,935**	**16.86**
Befesa	3,510	€			157	1.37
Brambles	59,369	AU$			533	4.64
Republic Services	3,672	US$			496	4.32
TOMRA Systems	20,430	NOK			342	2.98
UniFirst	2,342	US$			407	3.55
Internet & direct marketing retail						
eBay	5,446	US$			**239**	**2.08**
Food products						
Darling Ingredients	7,054	US$			**401**	**3.49**
Software					**835**	**7.28**
Ansys	1,416	US$			463	4.04
Autodesk	1,836	US$			372	3.24
Technology hardware, storage & peripherals						
Enphase Energy	1,127	US$			**232**	**2.02**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Electronic equipment, instruments & components					**607**	**5.29**
Horiba	6,600	¥			393	3.42
IPG Photonics	1,758	US$			214	1.87
Semiconductors & semiconductor equipment					**1,065**	**9.28**
Infineon Technologies	9,417	€			382	3.33
ON Semiconductor	5,438	US$			447	3.89
SolarEdge Technologies	795	US$			236	2.06
Electric utilities						
Ørsted	3,093	DKK			**260**	**2.27**
Independent power and renewable electricity producers					**951**	**8.29**
Atlantica Sustainable Infrastructure	7,945	US$			231	2.01
Boralex 'A'	7,876	CA$			237	2.07
Brookfield Renewable 'A'	7,330	US$			249	2.17
EDP Renovaveis	10,297	€			234	2.04
Equity Real Estate Investment Trusts (REITs)					**453**	**3.95**
Equinix	490	US$			344	3.00
Weyerhaeuser	3,712	US$			109	0.95
Portfolio of investments					**11,092**	**96.66**
Total portfolio					**11,092**	**96.66**
Net other assets/(liabilities)					383	3.34
Net assets					**11,475**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	11,092	96.66
Total Investment assets	**11,092**	**96.66**
Total portfolio	**11,092**	**96.66**
Net other assets/(liabilities)	**383**	**3.34**
Net assets	**11,475**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-7.9	n/a	n/a	+3.4	12.11.20
Class 'A' Distribution	-7.9	n/a	n/a	+3.4	12.11.20
Class 'C' Accumulation	-6.9	n/a	n/a	+4.4	12.11.20
Class 'C' Distribution	-7.0	n/a	n/a	+4.4	12.11.20
Class 'CI' Accumulation	-6.9	n/a	n/a	+4.5	12.11.20
Class 'L' Accumulation	-6.7	n/a	n/a	+4.7	12.11.20
Sterling					
Class 'C' Accumulation	-3.3	n/a	n/a	+3.5	12.11.20
Class 'CI' Accumulation	-3.3	n/a	n/a	+3.5	12.11.20
Class 'L' Accumulation	-3.0	n/a	n/a	+3.7	12.11.20
US dollar					
Class 'A' Accumulation	-9.7	n/a	n/a	-0.2	12.11.20
Class 'C' Accumulation	-8.8	n/a	n/a	+0.9	12.11.20
Class 'CI' Accumulation	-8.8	n/a	n/a	+0.9	12.11.20
Class 'L' Accumulation	-8.6	n/a	n/a	+1.1	12.11.20
Class 'ZI' Accumulation	-8.1	n/a	n/a	+1.7	12.11.20

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	70,490.467	10.8244	11.7479	11.2281
Class 'A' Distribution	6,004.625	10.6556	11.7111	11.2294
Class 'C' Accumulation	1,002.000	11.0878	11.9137	11.2725
Class 'C' Distribution	2,749.000	10.9138	11.8742	11.2718
Class 'CI' Accumulation	1,004.000	11.0990	11.9208	11.2747
Class 'L' Accumulation	1,851.000	11.1543	11.9536	11.2832
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	1,000.000	10.8502	11.2195	10.7067
Class 'CI' Accumulation	1,001.000	10.8611	11.2265	10.7090
Class 'L' Accumulation	1,002.000	10.9152	11.2585	10.7169
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	1,759.410	9.9638	11.0371	11.1569
Class 'C' Accumulation	1,001.000	10.2054	11.1916	11.1995
Class 'CI' Accumulation	1,002.000	10.2148	11.1981	11.2018
Class 'L' Accumulation	1,003.000	10.2656	11.2300	11.2102
Class 'ZI' Accumulation	1,001,004.000	10.3979	11.3141	11.2335

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	11,475	12,917	11,893
Swing pricing adjustment (see note 10)	n/a	n/a	17
Swing net assets	**11,475**	**12,917**	**11,910**

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.99
Class 'A' Distribution	1.99
Class 'C' Accumulation	0.99
Class 'C' Distribution	0.99
Class 'CI' Accumulation	0.95
Class 'L' Accumulation	0.73
Sterling	**%**
Class 'C' Accumulation	0.99
Class 'CI' Accumulation	0.95
Class 'L' Accumulation	0.74
US dollar	**%**
Class 'A' Accumulation	1.99
Class 'C' Accumulation	0.99
Class 'CI' Accumulation	0.95
Class 'L' Accumulation	0.74
Class 'ZI' Accumulation	0.20

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the period ended 21 October 2022

Performance review

The period under review was a poor one for global stocks and bonds due to surging inflation, economic concerns and rising interest rates. Inflation took off because of a spike in commodity prices stemming from the war in Ukraine. Manufacturers also struggled to revive supply chains following COVID-19-related disruptions.

Higher borrowing costs weighed on markets, as they followed years of rock-bottom interest rates. These pressures were seen last year as early as the quarter ended June, and brief July optimism was soon deflated by the Federal Reserve, European Central Bank and Bank of England all hiking rates.

Stocks made gains in the three months through December helped by China announcing the easing of COVID-19 restrictions and European advances. Government bonds fell as central banks reiterated tightening plans even as inflation started ebbing.

From the 1 April 2022 until 21 October 2022 when the sub-fund merged with the M&G (Lux) Sustainable Allocation Fund, the sub-fund posted a negative total return (the combination of capital growth and income).

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.

Investment activities

The sub-fund boosted its equity exposure in May following a decline in prices, buying stocks, particularly in the UK and Germany, and trimming a short position in the US. The sub-fund also added 10-year US Treasuries due to higher yields. The following month, the sub-fund returned to a neutral position on equities by increasing a short position on the S&P 500.

In September, the sub-fund took advantage of turmoil in the UK bond market to buy 30-year gilts. These were sold at a profit the following month amid Bank of England market intervention.

On 21 October 2022 the sub-fund merged with the M&G (Lux) Sustainable Allocation Fund.

Craig Moran and Steven Andrew
Co-sub-fund managers

Investment review information as at 31 March 2023.

Employees of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class up to merger date 21 October 2022

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation[b]	-14.0	-0.6	-3.5	-1.2	23.04.15	16.01.18
Class 'A' Distribution[b]	-14.0	-0.6	-3.5	-1.2	23.04.15	16.01.18
Class 'B' Accumulation[b]	-14.3	-1.1	-4.0	-0.9	11.09.15	16.01.18
Class 'B' Distribution[b]	-14.3	-1.1	-4.0	-0.9	11.09.15	16.01.18
Class 'C' Accumulation[b]	-13.7	+0.2	-2.8	-0.4	23.04.15	16.01.18
Class 'C' Distribution[b]	-13.6	+0.2	-2.8	-0.4	23.04.15	16.01.18
Class 'CI' Accumulation[b]	-13.6	+0.2	-2.7	-0.4	23.04.15	16.01.18
Class 'JI' Accumulation[b]	-13.6	+0.3	n/a	-2.7	n/a	26.02.19
Swiss franc						
Class 'A-H' Accumulation[b]	-14.2	-0.9	-3.8	-1.4	12.08.16	16.01.18
Class 'C-H' Accumulation[b]	-13.8	-0.1	-3.0	-0.7	12.08.16	16.01.18

M&G (Lux) Conservative Allocation Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A-H' Accumulation[b]	-12.7	+0.8	-1.5	+0.6	23.04.15	16.01.18
Class 'A-H' Distribution[b]	-12.6	+0.8	-1.5	+0.6	23.04.15	16.01.18
Class 'C-H' Accumulation[b]	-12.3	+1.6	-0.8	+1.3	23.04.15	16.01.18
Class 'C-H' Distribution[c]	-4.7	+5.2	+1.1	+2.5	23.04.15	16.01.18

[a] Sub-fund performance before the launch of the sub-fund on 16 January 2018 is that of the relevant Merged Share Class of the M&G Prudent Allocation Fund, which includes UK taxes but excludes entry and exit charges. The M&G Prudent Allocation Fund is a UK authorised sub-fund which launched on 23 April 2015 and its non-Sterling share classes merged into M&G (Lux) Conservative Allocation Fund on 16 March 2018.

[b] Returns are up to 21 October 2022 the close date of the share class.

[c] Returns are up to 8 September 2022 the close date of the share class.

Financial highlights

Shares in issue and Net Asset Values (NAV)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue and Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share).

Shares in issue and Net Asset Values

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	n/a	n/a	9.6347	9.4162
Class 'A' Distribution	n/a	n/a	9.0381	8.9673
Class 'B' Accumulation	n/a	n/a	9.4372	9.2694
Class 'B' Distribution	n/a	n/a	8.8507	8.8255
Class 'C' Accumulation	n/a	n/a	9.9660	9.6624
Class 'C' Distribution	n/a	n/a	9.3502	9.2030
Class 'CI' Accumulation	n/a	n/a	9.9837	9.6760
Class 'JI' Accumulation	n/a	n/a	10.5047	10.1707
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	n/a	n/a	9.5260	9.3304
Class 'C-H' Accumulation	n/a	n/a	9.8431	9.5635
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	n/a	n/a	10.4685	10.1345
Class 'A-H' Distribution	n/a	n/a	9.8225	9.6552
Class 'C-H' Accumulation	n/a	n/a	10.8115	10.3827
Class 'C-H' Distribution	n/a	n/a	10.1607	9.9077

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	n/a	663,993	1,285,868
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**n/a**	**663,993**	**1,285,868**

Investment review

For the year ended 31 March 2023

Performance review

Global stockmarkets fell in the 12 months under review, as investors juggled concerns about rising inflation, tightening central bank policy, and a short-lived banking crisis which began in the US and spread to Europe.

The sub-fund's security selection within the financials and industrials sectors was the biggest driver of relative outperformance. In contrast, the sub-fund's weaker stock selection in the healthcare and communication services sectors was the biggest drag on returns on a relative basis.

Looking at individual companies, banks dominated the top contributors and included AIB Group, Bank of Georgia and HDFC Bank, as their operating models benefited from a rising interest rate environment. Consumer goods giant Unilever performed well as investors placed a premium on its defensive qualities. The sub-fund's lack of exposure to Amazon boosted relative returns during what was a largely challenging period for large-cap US tech stocks.

Among the biggest detractors was US genetic sequencing firm Illumina, which fell on the back of disappointing earnings and the infringement of a rival's DNA-sequencing patents. It was also a challenging period for childcare provider Bright Horizons Family Solutions and telecoms group Safaricom.

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.

Engagement activity

Over the review period we engaged with several companies within the sub-fund. Bank of Georgia provides financial services, aiding financial inclusion in a society left with little infrastructure following the end of communism. We asked the Georgian financial institution to provide increased disclosure on the nature and number of underserved or unbanked people that it is currently reaching, to improve our ability to measure its impact. Management agreed that the company needed to improve visibility, and while it is still in the early days of developing how it measures this aspect, it was fully willing to do this and communicate those measures more meaningfully.

We reviewed and provided input to the sustainability objectives of UK-listed African tower communication company Helios Towers. Helios respects M&G as an impact investor and wanted our opinion on its sustainability materiality matrix before this was delivered to a wider audience.

We also asked US-listed safety equipment maker MSA Safety for a more tangible impact measurement data point, to be better able to measure and track the company's impact on safety outcomes. The company is exploring ways to provide a measurable overview of how its equipment was providing a material positive impact.

Investment activities

During the period under review, the sub-fund opened positions in UK-based retailer Pets At Home and publishing group Pearson.

The sub-fund also exited its position in luxury brand group Kering and reduced holdings in Bright Horizons.

Outlook

We continue to invest in quality companies that are competitively advantaged. These are solid, well-positioned companies – a segment of the market that we believe is well set-up to surprise positively in 2023. Even for portfolios with limited turnover like ours, the recent market volatility has offered opportunities to initiate new positions in attractive impactful companies.

Looking at the current portfolio, we remain confident in the quality of the companies we invest in, and we continue to be optimistic about their ability to generate long-term value, while also investing in companies that have demonstrable gender and/or ethnic diversity, or which provide solutions empowering social equality.

M&G (Lux) Diversity And Inclusion Fund

Investment review

Thembeka Stemela
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 9 fund under SFDR. Information related to the sustainable investments of the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**12,032**	**96.33**
United Kingdom					**1,973**	**15.80**
Helios Towers	130,185	£			171	1.37
Pearson	24,158	£			248	1.98
Pets at Home Group	80,059	£			365	2.92
RELX	13,239	£			428	3.43
Unilever	8,558	£			448	3.59
WH Smith	16,829	£			313	2.51
France					**739**	**5.92**
Legrand	2,491	€			228	1.83
Schneider Electric	3,084	€			511	4.09
Ireland					**777**	**6.22**
Accenture 'A'	1,127	US$			319	2.55
AIB Group	113,198	€			458	3.67
United States					**5,268**	**42.18**
American Water Works	1,715	US$			250	2.00
Ansys	1,518	US$			497	3.98
Booking Holdings	123	US$			322	2.58
Bright Horizons Family Solutions	4,270	US$			326	2.61
Cisco Systems Delaware	8,108	US$			417	3.34
Colgate-Palmolive	5,737	US$			432	3.46
Etsy	1,504	US$			165	1.32
Hewlett Packard Enterprise	10,018	US$			289	2.31
Illumina	1,124	US$			254	2.03
Microsoft	1,725	US$			491	3.93
MSA Safety	2,698	US$			357	2.86
Progyny	5,717	US$			179	1.43
Quest Diagnostics	3,777	US$			526	4.21
S&P Global	904	US$			309	2.48
Visa 'A'	2,040	US$			454	3.64
Canada					**766**	**6.13**
Intact Financial	3,137	CA$			445	3.56
Lululemon Athletica	896	US$			321	2.57

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Japan						
Katitas	9,300	¥			**180**	**1.44**
Australia					**890**	**7.13**
Brambles	55,108	AU$			495	3.97
Cochlear	2,498	AU$			395	3.16
India						
HDFC Bank ADR	7,909	US$			**524**	**4.19**
Georgia						
Bank of Georgia Group	12,744	£			**433**	**3.47**
South Africa						
Bidvest Group	21,042	ZAR			**299**	**2.39**
Kenya						
Safaricom	1,331,651	KES			**183**	**1.46**
Portfolio of investments					**12,032**	**96.33**
Total portfolio					**12,032**	**96.33**
Net other assets/(liabilities)					458	3.67
Net assets					**12,490**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	12,032	96.33
Total Investment assets	**12,032**	**96.33**
Total portfolio	**12,032**	**96.33**
Net other assets/(liabilities)	**458**	**3.67**
Net assets	**12,490**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-3.3	n/a	n/a	-6.0	18.11.21
Class 'A' Distribution	-3.3	n/a	n/a	-6.0	18.11.21
Class 'C' Accumulation	-2.3	n/a	n/a	-5.0	18.11.21
Class 'C' Distribution	-2.3	n/a	n/a	-5.1	18.11.21
Class 'CI' Accumulation	-2.3	n/a	n/a	-5.0	18.11.21
Class 'L' Accumulation	-1.8	n/a	n/a	-4.6	18.11.21
Sterling					
Class 'C' Accumulation	+1.5	n/a	n/a	-2.0	18.11.21
Class 'CI' Accumulation	+1.6	n/a	n/a	-1.9	18.11.21
Class 'L' Accumulation	+2.0	n/a	n/a	-1.5	18.11.21
US dollar					
Class 'A' Accumulation	-5.2	n/a	n/a	-8.9	18.11.21
Class 'C' Accumulation	-4.3	n/a	n/a	-8.0	18.11.21
Class 'CI' Accumulation	-4.2	n/a	n/a	-7.9	18.11.21
Class 'L' Accumulation	-3.8	n/a	n/a	-7.6	18.11.21
Class 'ZI' Accumulation	-3.5	n/a	n/a	-7.2	18.11.21

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	7,979.000	9.1914	9.4789	n/a
Class 'A' Distribution	1,001.000	9.1543	9.4789	n/a
Class 'C' Accumulation	1,002.000	9.3187	9.5136	n/a
Class 'C' Distribution	1,003.000	9.2803	9.5135	n/a
Class 'CI' Accumulation	4,600.000	9.3230	9.5152	n/a
Class 'L' Accumulation	1,004.000	9.3768	9.5292	n/a
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	1,000.000	9.7304	9.5602	n/a
Class 'CI' Accumulation	4,600.000	9.7353	9.5618	n/a
Class 'L' Accumulation	1,001.000	9.7904	9.5759	n/a
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	1,000.000	8.8080	9.2699	n/a
Class 'C' Accumulation	1,001.000	8.9292	9.3038	n/a
Class 'CI' Accumulation	4,600.000	8.9325	9.3056	n/a
Class 'L' Accumulation	1,002.000	8.9841	9.3192	n/a
Class 'ZI' Accumulation	1,349,101.000	9.0250	9.3311	n/a

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	12,490	12,844	n/a
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**12,490**	**12,844**	**n/a**

M&G (Lux) Diversity And Inclusion Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.96
Class 'A' Distribution	1.95
Class 'C' Accumulation	0.95
Class 'C' Distribution	0.95
Class 'CI' Accumulation	0.93
Class 'L' Accumulation	0.50
Sterling	**%**
Class 'C' Accumulation	0.95
Class 'CI' Accumulation	0.92
Class 'L' Accumulation	0.50
US dollar	**%**
Class 'A' Accumulation	1.95
Class 'C' Accumulation	0.95
Class 'CI' Accumulation	0.93
Class 'L' Accumulation	0.50
Class 'ZI' Accumulation	0.17

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review was a poor one for global stocks and bonds due to surging inflation, economic concerns and rising interest rates. Inflation took off because of a spike in commodity prices stemming from the war in Ukraine. Manufacturers also struggled to revive supply chains following COVID-19-related disruptions.

Higher borrowing costs weighed on markets, as they followed years of rock-bottom interest rates. These pressures were seen last year as early as the quarter ended June, and brief July optimism was soon deflated by the Federal Reserve, European Central Bank and Bank of England all hiking rates.

Stocks made gains in the three months through December helped by China announcing the easing of COVID-19 restrictions and European advances. Government bonds fell as central banks reiterated tightening plans even as inflation started ebbing. Equities also rose in the final three months of the reporting period as easing economic concerns outweighed turmoil in the banking sector. Government bond yields fell (as prices roses).

The sub-fund posted a positive total return (the combination of capital growth and income) in the reporting period. Equities drove the positive performance, led by holdings in Europe, the US and Japan. Shares in miners, banks and companies in Asia ex Japan weighed on performance.

Holdings in government bonds were also profitable, helped by gains on UK government debt amid market turmoil following the September budget. Emerging market government bonds also boosted performance, particularly those from Mexico and Chile. US Treasuries were a drag on returns.

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.

Investment activities

The sub-fund's allocation to equities rose over the 12 months from 34.5% to almost 42%, while government bond holdings rose from just under 19% to just under 24%. Corporate bonds fell from just over 10% to just under 10%.

The sub-fund boosted its equity exposure in May following a decline in prices, buying stocks, particularly in the UK and Germany, and trimming a short position in the US. The sub-fund also added 10-year US Treasuries due to higher yields. The following month, the sub-fund returned to a neutral position on equities by increasing a short position on the S&P 500.

In September, the sub-fund took advantage of turmoil in the UK bond market to buy 30-year gilts. These were sold at a profit the following month amid Bank of England market intervention. Also in October, the sub-fund switched its 10-year US Treasuries for 30-year issues. Holdings of long-dated Treasuries were trimmed in November.

The sub-fund cut its overweight position in European, US and UK banks in January, as well as paring a short position in US equities. In February, the sub-fund opened a foreign-currency carry trade, raising exposure to the Brazilian real, South African rand, Indonesian rupiah and Mexican peso while trimming exposure to the dollar, sterling and yen. The healthcare basket was adjusted following underperformance by managed healthcare companies.

As at the end of March, we maintain a slightly underweight position to government bonds and duration, with a preference for US Treasuries, particularly longer-dated.

We remain underweight credit but have been increasing our exposure since the end of last year. Investment grade bonds are our preferred asset class within corporate bonds, with the potential for better yields, and, in our opinion, lower default risk in most developed markets.

From 15 February 2023, the sub-fund's objective, investment policy and its strategy were updated to

Investment review

introduce a set of environmental, social and governance (ESG) exclusions. The new strategy was updated to reflect the role of ESG considerations in the sub-funds' investment process.

Outlook

The delayed effects of a year-long cycle of interest-rates hikes are starting to emerge, which poses a risk to equities. Valuations are also high, so we will remain selective, and focus on markets offering better pricing, such as Europe, Japan and Asia. We also still favour large banks, despite recent volatility, along with technology. Furthermore, as we believe volatility is likely to persist, we will maintain high cash levels to pursue short-term opportunities.

Craig Moran and Steven Andrew
Co-sub-fund managers

Investment review information as at 31 March 2023.

Employees of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 15 February 2023, the sub-fund was 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. From 16 February 2023, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities					**544,715**	**24.36**
Software & computer services					**19,071**	**0.85**
Autohome ADR	35,053	US$			1,084	0.05
Baidu ADR	13,235	US$			1,851	0.08
Escrow Altegrity[a]	28,954	US$			70	0.00
JD.com 'A'	211,832	HK$			4,285	0.19
Lasertec	1,300	¥			209	0.01
NTT Data	35,400	¥			424	0.02
OneConnect Financial Technology	88,699	US$			450	0.02
Rakuten	33,900	¥			144	0.01
Tencent Holdings	204,400	HK$			9,241	0.41
TravelSky Technology 'H'	763,000	HK$			1,313	0.06
Technology hardware & equipment					**9,661**	**0.43**
Advantest	4,000	¥			336	0.02
China Tower 'H'	14,618,000	HK$			1,620	0.07
Dai Nippon Printing	7,600	¥			194	0.01
FUJIFILM Holdings	11,500	¥			532	0.02
Fujitsu	3,200	¥			394	0.02
Han's Laser Technology Industry Group 'A'	280,080	CNY			1,137	0.05
Jiangsu Zhongtian Technology	563,782	CNY			1,288	0.06
NEC	26,400	¥			930	0.04
Renesas Electronics	89,000	¥			1,178	0.05
Rohm	9,900	¥			752	0.03
Tokyo Electron	7,800	¥			864	0.04
Xiaomi 'B'	307,200	HK$			436	0.02
Telecommunications service providers					**17,006**	**0.76**
Alibaba Group Holding	784,852	HK$			9,261	0.41
KDDI	12,500	¥			354	0.02
Meituan 'B'	229,590	HK$			3,872	0.17
Nippon Telegraph & Telephone	67,300	¥			1,842	0.08
Pinduoduo ADR	15,897	US$			1,114	0.05
SoftBank Group	15,700	¥			563	0.03

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Health care providers					**24,218**	**1.08**
Cigna	23,823	US$			5,578	0.25
Elevance Health	14,521	US$			6,143	0.27
Humana	13,951	US$			6,277	0.28
UnitedHealth Group	14,371	US$			6,220	0.28
Medical equipment & services					**320**	**0.01**
Hoya	1,900	¥			191	0.01
Terumo	5,200	¥			129	0.00
Pharmaceuticals & biotechnology					**45,155**	**2.02**
AbbVie	15,543	US$			2,259	0.10
Amgen	9,917	US$			2,204	0.10
Astellas Pharma	83,200	¥			1,082	0.05
BeiGene ADR	2,386	US$			479	0.02
Biogen	8,593	US$			2,179	0.10
Bristol-Myers Squibb	114,945	US$			7,216	0.32
Daiichi Sankyo	23,300	¥			777	0.04
Eli Lilly	18,013	US$			5,653	0.25
Gilead Sciences	28,047	US$			2,104	0.09
Hutchison China MediTech ADR	76,672	US$			946	0.04
Hutchmed China	86,000	HK$			209	0.01
Johnson & Johnson	37,107	US$			5,242	0.24
Merck	53,635	US$			5,234	0.23
Pfizer	165,780	US$			6,158	0.28
Shionogi	5,500	¥			227	0.01
Takeda Pharmaceutical	39,000	¥			1,172	0.05
Wuxi Biologics Cayman	154,000	HK$			878	0.04
Zai Lab	28,812	US$			887	0.04
Zai Lab	81,500	HK$			249	0.01
Banks					**147,428**	**6.59**
Bank of America	865,275	US$			22,626	1.01
China Construction Bank 'H'	8,755,000	HK$			5,228	0.23
China Merchants Bank 'H'	329,500	HK$			1,554	0.07

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Banks (continued)						
Citigroup	543,735	US$			23,050	1.03
Industrial & Commercial Bank of China 'H'	3,291,000	HK$			1,616	0.07
Japan Post Bank	27,200	¥			203	0.01
JPMorgan Chase	202,743	US$			24,020	1.07
Mitsubishi UFJ Financial Group	1,752,600	¥			10,266	0.46
Mizuho Financial Group	680,300	¥			8,831	0.40
Ping An Bank 'A'	503,400	CNY			844	0.04
Resona Holdings	2,047,900	¥			9,035	0.40
Sumitomo Mitsui Financial Group	250,600	¥			9,171	0.41
Sumitomo Mitsui Trust Holdings	283,100	¥			8,876	0.40
Wells Fargo	642,487	US$			22,108	0.99
Finance & credit services					**3,656**	**0.16**
Credit Saison	114,300	¥			1,328	0.06
Far East Horizon	1,012,000	HK$			836	0.04
ORIX	99,100	¥			1,492	0.06
Investment banking & brokerage services					**104,937**	**4.69**
Bank of New York Mellon	550,531	US$			22,754	1.02
China International Capital 'H'	631,600	HK$			1,166	0.05
GF Securities 'H'	924,200	HK$			1,208	0.05
Huatai Securities 'H'	1,221,600	HK$			1,285	0.06
Nippon Express Holdings	2,500	¥			138	0.01
Nomura Holdings	141,500	¥			497	0.02
Equity portfolios (as part of the above industry group)						
Greencoat UK Wind	12,342,085	£			22,032	0.98
3i Infrastructure	9,136,665	£			32,661	1.46
M&G (Lux) Japan Fund Euro Class 'C' (Accumulation)[b]	565,426	€			14,229	0.64
M&G (Lux) Global Emerging Markets Fund Euro Class 'CI' (Accumulation)[b]	693,159	€			8,967	0.40
Life insurance						
Ping An Insurance Group of China 'H'	418,500	HK$			**2,512**	**0.11**

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Non-life insurance					**1,117**	**0.05**
Japan Post Holdings	42,600	¥			317	0.01
Tokio Marine Holdings	45,400	¥			800	0.04
Real estate investment & services					**5,149**	**0.23**
KE Holdings	120,589	US$			2,071	0.09
Mitsubishi Estate	73,500	¥			800	0.04
Mitsui Fudosan	58,500	¥			1,005	0.04
Nomura Real Estate Holdings	12,900	¥			261	0.01
Sun Hung Kai Properties	78,500	HK$			1,012	0.05
Real estate investment trusts						
Unibail-Rodamco-Westfield	211,483	€			**10,374**	**0.46**
Automobiles & parts					**13,350**	**0.60**
Brilliance China Automotive Holdings	4,244,000	HK$			1,716	0.08
BYD 'H'	42,500	HK$			1,148	0.05
CRRC 'H'	3,577,000	HK$			1,791	0.08
Dongfeng Motor Group 'H'	1,268,000	HK$			549	0.02
Geely Automobile Holdings	370,000	HK$			440	0.02
Honda Motor	79,600	¥			1,933	0.09
Nexteer Automotive Group	1,560,000	HK$			909	0.04
REE Automotive	154,557	US$			49	0.00
Sumitomo Electric Industries	55,000	¥			646	0.03
Suzuki Motor	15,900	¥			529	0.02
Toyota Industries	20,600	¥			1,048	0.05
Toyota Motor	154,100	¥			2,003	0.09
Yamaha Motor	24,600	¥			589	0.03
Household goods & home construction					**1,309**	**0.06**
Daiwa House Industry	9,000	¥			194	0.01
Midea Group 'A'	90,900	CNY			655	0.03
Sekisui Chemical	17,100	¥			221	0.01
Sekisui House	12,800	¥			239	0.01
Leisure goods					**4,236**	**0.19**
Nikon	77,200	¥			723	0.03

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Leisure goods (continued)						
Nintendo	14,600	¥			517	0.02
Panasonic Holdings	76,700	¥			626	0.03
Shimano	1,700	¥			269	0.01
Sony Group	25,400	¥			2,101	0.10
Personal goods					**3,247**	**0.15**
Crystal International Group	4,634,500	HK$			1,441	0.06
Kao	3,600	¥			128	0.01
NetEase	81,055	HK$			1,315	0.06
Shiseido	8,500	¥			363	0.02
Media					**916**	**0.04**
Dentsu	13,800	¥			444	0.02
TBS Holdings	25,500	¥			335	0.01
Z Holdings	53,000	¥			137	0.01
Retailers					**4,806**	**0.22**
Fast Retailing	2,700	¥			539	0.03
MINISO Group Holding	86,154	US$			1,431	0.06
MINISO Group Holding	104,800	HK$			441	0.02
Pan Pacific International Holdings	11,400	¥			202	0.01
Seven & i Holdings	53,100	¥			2,193	0.10
Travel & leisure					**5,943**	**0.27**
Central Japan Railway	5,000	¥			546	0.02
East Japan Railway	4,300	¥			218	0.01
H World Group	129,500	HK$			581	0.03
H World Group ADR	28,139	US$			1,266	0.06
Keisei Electric Railway	23,200	¥			654	0.03
Oriental Land	13,500	¥			424	0.02
Trip.com Group ADR	18,999	US$			655	0.03
West Japan Railway	9,100	¥			343	0.01
Yum China Holdings	21,581	US$			1,256	0.06
Beverages					**3,357**	**0.15**
Asahi Group Holdings	9,700	¥			330	0.02

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Beverages (continued)						
China Resources Beer Holdings	244,000	HK$			1,803	0.08
Kirin Holdings	50,900	¥			737	0.03
Kweichow Moutai	2,000	CNY			487	0.02
Food producers						
Yukiguni Maitake	14,300	¥			**99**	**0.01**
Construction & materials					**2,881**	**0.13**
Hitachi Zosen	20,000	¥			120	0.01
Sinopec Engineering Group 'H'	3,964,500	HK$			1,821	0.08
Taisei	13,200	¥			374	0.02
TK Group Holdings	3,052,000	HK$			566	0.02
Electricity						
CGN Power 'H'	5,832,000	HK$			**1,283**	**0.06**
Electronic & electrical equipment					**6,095**	**0.27**
Dongfang Electric 'H'	785,000	HK$			1,172	0.05
Hitachi	45,800	¥			2,295	0.10
Hollysys Automation Technologies	30,225	US$			478	0.02
Keyence	1,600	¥			713	0.03
Minebea Mitsumi	21,000	¥			365	0.02
Murata Manufacturing	8,700	¥			483	0.02
Nidec	2,100	¥			99	0.01
TDK	6,400	¥			209	0.01
Ushio	24,400	¥			281	0.01
General industrials					**1,416**	**0.06**
AGC	5,900	¥			201	0.01
Daikin Industries	3,900	¥			639	0.03
ITOCHU	6,500	¥			193	0.01
Mitsubishi Electric	29,800	¥			325	0.01
Toshiba	1,900	¥			58	0.00
Industrial engineering					**8,196**	**0.37**
CIMC Vehicles Group 'H'	886,000	HK$			619	0.03
Daifuku	15,000	¥			253	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Industrial engineering (continued)						
Isuzu Motors	23,000	¥			251	0.01
Jiangsu Huahong Technology Stock 'A'	391,683	CNY			846	0.04
Kawasaki Heavy Industries	14,600	¥			293	0.01
Komatsu	20,100	¥			456	0.02
Kubota	13,900	¥			192	0.01
Morimatsu International Holdings	605,000	HK$			657	0.03
Sinoseal Holding	220,558	CNY			1,276	0.06
Sumitomo Heavy Industries	9,600	¥			215	0.01
Weichai Power 'H'	1,189,000	HK$			1,758	0.08
Yangzijiang Shipbuilding Holdings	1,656,000	SG$			1,380	0.06
Industrial support services					**5,215**	**0.23**
Mitsui	78,000	¥			2,219	0.10
Recruit Holdings	40,800	¥			1,029	0.04
Secom	3,800	¥			214	0.01
Sinotrans 'H'	5,381,000	HK$			1,532	0.07
Yamato Holdings	14,100	¥			221	0.01
Industrial transportation					**9,655**	**0.43**
China Railway Signal & Communication 'H'	5,053,000	HK$			1,712	0.08
COSCO SHIPPING Energy Transportation 'H'	1,728,000	HK$			1,649	0.07
COSCO SHIPPING Ports	2,634,572	HK$			1,621	0.07
Hainan Meilan Internationa 'H'	689,000	HK$			1,551	0.07
Pacific Basin Shipping	6,660,000	HK$			2,368	0.11
Shanghai International Airport 'A'	101,113	CNY			754	0.03
Industrial metals & mining					**47,771**	**2.14**
Anglo American	503,470	£			15,226	0.68
Baoshan Iron & Steel 'A'	1,046,461	CNY			874	0.04
BHP Group	544,578	£			15,800	0.71
MMG	2,236,000	HK$			606	0.03
Rio Tinto	246,482	£			15,265	0.68
Chemicals					**4,226**	**0.19**
Asahi Kasei	69,300	¥			444	0.02

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Chemicals (continued)						
Dongyue Group	1,058,000	HK$			1,007	0.04
Earth	6,400	¥			210	0.01
Mitsubishi Chemical Holdings	22,400	¥			121	0.01
Nitto Denko	2,900	¥			171	0.01
Shin-Etsu Chemical	38,500	¥			1,138	0.05
Showa Denko	40,700	¥			612	0.03
Toray Industries	100,000	¥			523	0.02
Non-renewable energy					**4,453**	**0.20**
CIMC Enric Holdings	1,390,000	HK$			1,244	0.06
ENEOS Holdings	71,700	¥			230	0.01
PetroChina 'H'	1,770,000	HK$			965	0.04
Sinopec Kantons Holdings	5,960,000	HK$			2,014	0.09
Renewable energy					**23,891**	**1.07**
Greencoat Renewables	21,117,168	€			23,176	1.04
LONGi Green Energy Technology 'A'	132,000	CNY			715	0.03
Equity derivatives					**1,766**	**0.08**
Equity index futures					**1,766**	**0.08**
IBEX 35 Index Futures	389	€	21.04.2023	35,928	980	0.05
FTSE MIB Index Futures	451	US$	27.04.2023	23,009	23	0.00
Hang Seng China Enterprises Index Futures	565	HK$	27.04.2023	23,071	1,077	0.05
MSCI Singapore Index Futures	1,151	SG$	27.04.2023	24,376	455	0.02
Korean Stock Exchange Futures	1,480	KRW	08.06.2023	84,195	410	0.02
Topix Index Futures	502	¥	08.06.2023	69,396	(641)	(0.03)
DAX Index Futures	273	€	16.06.2023	106,390	3,705	0.17
DJ Euro Stoxx 50 Futures	1,112	€	16.06.2023	47,853	1,153	0.05
DJ Euro Stoxx Banks Futures	8,920	€	16.06.2023	45,434	(839)	(0.04)
FTSE 100 Index Futures	1,423	£	16.06.2023	123,718	(1,262)	(0.06)
S&P MINI 500 Futures	(543)	US$	16.06.2023	102,634	(3,295)	(0.15)
Fixed income					**1,347,055**	**60.25**
Bond portfolios					**64,713**	**2.89**
M&G (Lux) Emerging Markets Hard Currency Bond Fund USD Class 'CI' (Accumulation)[b]	1,823,624	US$			16,826	0.75

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Bond portfolios (continued)						
M&G (Lux) Global Convertibles Fund Euro Class 'C-H' (Accumulation)[b]	2,902,395	€			43,322	1.94
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund Euro Class 'CI-H' (Accumulation)[b]	500,000	€			4,565	0.20
Debt securities					**1,275,718**	**57.06**
'AAA' credit rated bonds					**12,158**	**0.54**
Atlas Funding FRN	195,411	£	25.07.2058		222	0.01
Avoca CLO XVII FRN	195,000	€	15.10.2032		190	0.01
Avoca CLO XXV FRN	230,000	€	15.10.2034		223	0.01
Bank of Nova Scotia FRN	184,000	£	14.03.2025		211	0.01
Bank of Nova Scotia FRN	170,000	£	26.01.2026		196	0.01
Bayerische Landesbank 1%	100,000	£	20.12.2024		107	0.00
Blackrock European CLO XII FRN	215,000	€	17.01.2035		206	0.01
Bundesrepublik Deutschland Bundesanleihe 1%	440,925	€	15.05.2038		359	0.02
Cairn CLO XIV FRN	115,000	€	29.10.2034		111	0.01
Canada Square Funding FRN	136,507	£	17.06.2058		153	0.01
Canadian Imperial Bank of Commerce FRN	290,000	£	15.12.2025		334	0.01
Candide Financing FRN	86,104	€	20.11.2060		87	0.00
Castell FRN	111,221	£	25.11.2053		126	0.01
CIFC European Funding CLO V FRN	430,000	€	23.11.2034		415	0.02
Commonwealth Bank of Australia 0.375%	100,000	€	24.04.2023		100	0.00
Domi 2021-1 FRN	118,333	€	15.06.2053		117	0.01
Dowson 2021-1 FRN	4,412	£	20.03.2028		5	0.00
Dowson 2022-1 FRN	67,277	£	20.01.2029		77	0.00
Economic Master Issuer FRN	109,000	£	25.06.2073		123	0.01
Elstree Funding No. 2 FRN	123,880	£	21.12.2054		140	0.01
Elvet Mortgages FRN	63,183	£	22.03.2065		72	0.00
European Investment Bank FRN	435,000	£	29.06.2023		496	0.02
Finance Ireland RMBS No. 3 FRN	80,064	€	24.06.2061		80	0.00
Finance Ireland RMBS No. 4 FRN	91,762	€	24.12.2061		91	0.00
Finsbury Square FRN	155,377	£	16.12.2067		175	0.01
Gemgarto FRN	430,368	£	16.12.2067		486	0.02

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'AAA' credit rated bonds (continued)						
Genesis Mortgage Funding FRN	159,058	£	15.09.2059		181	0.01
Glenbeigh 2 Issuer FRN	238,776	€	24.06.2050		236	0.01
Holmes Master Issuer FRN	92,143	£	15.10.2054		105	0.00
Hops Hill No. 1 FRN	250,732	£	27.05.2054		285	0.01
International Bank for Reconstruction & Development FRN	850,000	US$	22.11.2028		777	0.03
Jubilee Place FRN	153,649	€	17.10.2057		154	0.01
Jubilee Place FRN	68,404	€	17.07.2058		68	0.00
Kreditanstalt für Wiederaufbau 0%	1,250,000	€	30.06.2023		1,242	0.06
Kreditanstalt für Wiederaufbau 1.375%	500,000	£	09.12.2024		540	0.02
Lanebrook Mortgage Transaction FRN	175,308	£	20.07.2058		197	0.01
London Wall Mortgage Capital FRN	160,484	£	15.05.2051		180	0.01
Mortimer BTL FRN	276,349	£	23.06.2053		309	0.01
National Australia Bank FRN	370,000	£	04.02.2025		421	0.02
Palmer Square European Loan Funding FRN	111,422	€	15.07.2031		108	0.00
Palmer Square European Loan Funding FRN	206,149	€	15.10.2031		201	0.01
Royal Bank of Canada FRN	360,000	£	03.10.2024		410	0.02
RRE 5 Loan Management FRN	115,000	€	15.01.2037		111	0.01
Saecure 20 FRN	147,761	€	28.04.2093		149	0.01
Skipton Building Society, EMTN 0.5%	225,000	€	02.10.2023		222	0.01
Stratton Mortgage Funding FRN	90,216	£	12.12.2043		102	0.00
Sveriges Sakerstallda Obligationer 0.25%	275,000	€	19.04.2023		275	0.01
Together Asset Backed Securitisation FRN	166,662	£	15.12.2061		190	0.01
Towd Point Mortgage Funding FRN	110,000	£	20.10.2051		124	0.01
Towd Point Mortgage Funding FRN	197,265	£	20.02.2054		224	0.01
Tower Bridge Funding FRN	104,588	£	20.12.2063		118	0.01
Turbo Finance 9 FRN	63,436	£	20.08.2028		72	0.00
Twin Bridges FRN	226,983	£	12.09.2055		255	0.01
'AA' credit rated bonds					**18,171**	**0.81**
Apple 3.85%	600,000	US$	04.05.2043		499	0.02
Deutsche Pfandbriefbank FRN	300,000	£	29.09.2023		342	0.02

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'AA' credit rated bonds (continued)						
First Abu Dhabi Bank 5.125%	400,000	US$	13.10.2027		375	0.02
Land Securities Capital Markets 4.875%	329,000	£	15.09.2034		379	0.02
Magellan Mortgages No. 3 FRN	135,203	€	15.05.2058		127	0.01
MDGH GMTN RSC 2.875%	1,200,000	US$	07.11.2029		997	0.04
Metropolitan Life Global Funding I 1.625%	185,000	£	12.10.2028		178	0.01
Metropolitan Life Global Funding I 3.75%	486,000	€	05.12.2030		479	0.02
Metropolitan Life Global Funding I 4.3%	550,000	US$	25.08.2029		491	0.02
Metropolitan Life Global Funding I 5.15%	1,000,000	US$	28.03.2033		924	0.04
New York Life Global Funding 0.25%	520,000	€	04.10.2028		431	0.02
New York Life Global Funding 1.5%	115,000	£	15.07.2027		114	0.00
New York Life Global Funding 3.625%	735,000	€	09.01.2030		717	0.03
Roche Holding 3%	1,200,000	US$	10.11.2025		1,063	0.05
Telereal Securitisation 3.5625%	160,000	£	10.12.2036		163	0.01
TSMC Global 1%	750,000	US$	28.09.2027		593	0.03
TSMC Global 2.25%	925,000	US$	23.04.2031		716	0.03
US Treasury Bond 0.125%	2,872,700	US$	15.10.2025		2,948	0.13
US Treasury Bond 0.375%	1,000,000	US$	15.01.2027		1,094	0.05
US Treasury Bond 1.75%	1,500,000	US$	15.08.2041		991	0.04
US Treasury Bond 2.25%	1,871,500	US$	15.08.2046		1,286	0.06
US Treasury Bond I/I 1%	500,000	US$	15.02.2048		490	0.02
US Treasury Note 0.25%	2,085,000	US$	15.06.2023		1,901	0.08
US Treasury Note 3%	1,100,000	US$	15.02.2048		873	0.04
'A' credit rated bonds					**39,153**	**1.75**
Abu Dhabi Commercial Bank 4.5%	200,000	US$	14.09.2027		181	0.01
Ageas FRN	200,000	€	02.07.2049		169	0.01
AIA Group FRN	105,000	€	09.09.2033		82	0.00
AIA Group FRN	800,000	US$	31.12.2099		637	0.03
Allianz FRN	200,000	€	25.09.2049		158	0.01
AstraZeneca 6.45%	700,000	US$	15.09.2037		752	0.03
AXA FRN	110,000	€	10.07.2042		82	0.00

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
AXA FRN	210,000	€	10.03.2043		191	0.01
Banco Bilbao Vizcaya Argentaria FRN	200,000	€	24.03.2027		179	0.01
Banco Santander FRN	200,000	£	30.08.2028		221	0.01
Bank Gospodarstwa Krajowego 3%	600,000	€	30.05.2029		550	0.02
Bank of America FRN	300,000	US$	06.12.2025		259	0.01
Bank of America FRN	235,000	€	04.05.2027		219	0.01
Bank of America FRN	274,000	£	02.06.2029		259	0.01
Bank of America FRN	600,000	US$	23.07.2029		529	0.02
Bank of America FRN	200,000	US$	07.02.2030		172	0.01
Bank of America FRN	500,000	US$	23.07.2031		367	0.02
Bank of America FRN	1,200,000	US$	24.10.2031		876	0.04
Bank of China FRN	400,000	US$	10.08.2024		366	0.02
Banque Fédérative du Crédit Mutuel 0.625%	400,000	€	03.11.2028		329	0.01
Banque Fédérative du Crédit Mutuel 3.125%	200,000	€	14.09.2027		195	0.01
Banque Fédérative du Crédit Mutuel 4.753%	550,000	US$	13.07.2027		485	0.02
BOC Aviation 3.875%	1,000,000	US$	27.04.2026		883	0.04
Booking Holdings 4.5%	244,000	€	15.11.2031		252	0.01
CBQ Finance 2%	560,000	US$	15.09.2025		478	0.02
Chile (Republic of) 4.7%	10,145,000,000	CLP	01.09.2030		11,402	0.51
Comcast 2.8%	285,000	US$	15.01.2051		177	0.01
Comcast 3.25%	770,000	US$	01.11.2039		569	0.03
Comcast 3.4%	370,000	US$	01.04.2030		317	0.01
Comcast 3.75%	550,000	US$	01.04.2040		432	0.02
Crédit Agricole FRN	300,000	€	11.07.2029		299	0.01
Duke Energy Progress 3.4%	600,000	US$	01.04.2032		498	0.02
East Japan Railway 4.11%	525,000	€	22.02.2043		524	0.02
EIG Pearl Holdings 3.545%	420,000	US$	31.08.2036		331	0.01
Empresa de Transporte de Pasajeros Metro 3.65%	450,000	US$	07.05.2030		379	0.02
Entergy Texas 1.75%	725,000	US$	15.03.2031		536	0.02
Hannover Rueck FRN	100,000	€	08.10.2040		77	0.00

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Hannover Rueck FRN	200,000	€	30.06.2042		142	0.01
Helvetia Europe FRN	220,000	€	30.09.2041		173	0.01
HSBC Holdings FRN	200,000	US$	11.08.2033		180	0.01
Intel 3.05%	270,000	US$	12.08.2051		169	0.01
Intel 5.2%	200,000	US$	10.02.2033		186	0.01
Intel 5.7%	1,000,000	US$	10.02.2053		932	0.04
Japan (Kingdom of) 0.5%	29,650,000	¥	20.12.2040		189	0.01
JPMorgan Chase FRN	550,000	US$	01.02.2028		482	0.02
JPMorgan Chase FRN	136,000	€	23.03.2030		120	0.01
JPMorgan Chase FRN	74,000	US$	14.06.2030		66	0.00
JPMorgan Chase FRN	1,140,000	US$	15.10.2030		907	0.04
JPMorgan Chase FRN	1,240,000	US$	25.01.2033		970	0.04
Lusitano Mortgages No. 5 FRN	137,301	€	15.07.2059		132	0.01
Medtronic Global Holdings 2.25%	120,000	€	07.03.2039		96	0.00
Meta Platforms 3.85%	500,000	US$	15.08.2032		429	0.02
MetLife 5%	101,000	US$	15.07.2052		87	0.00
Morgan Stanley FRN	845,000	US$	10.12.2026		691	0.03
Morgan Stanley FRN	350,000	US$	20.04.2028		311	0.01
Morgan Stanley FRN	1,330,000	US$	21.01.2033		1,029	0.05
Morgan Stanley FRN	250,000	€	25.01.2034		262	0.01
Münchener Rückversicherungs-Gesellschaft FRN	200,000	€	26.05.2042		140	0.01
National Rural Utilities Cooperative Finance 1.35%	500,000	US$	15.03.2031		354	0.02
NBN 4.375%	603,000	€	15.03.2033		620	0.03
Ooredoo International Finance 2.625%	1,000,000	US$	08.04.2031		799	0.04
PayPal Holdings 5.05%	260,000	US$	01.06.2052		228	0.01
Polo Funding FRN	44,784	£	26.09.2046		51	0.00
Prologis Euro Finance 0.625%	210,000	€	10.09.2031		151	0.01
Prologis International Funding II 3.125%	100,000	€	01.06.2031		86	0.00
QNB Finance 1.375%	400,000	US$	26.01.2026		333	0.02
QNB Finance 2.625%	350,000	US$	12.05.2025		306	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
SA Global Sukuk 2.694%	200,000	US$	17.06.2031		162	0.01
Santander Consumer Bank 0.25%	300,000	€	15.10.2024		283	0.01
Saudi Arabian Oil 1.625%	200,000	US$	24.11.2025		171	0.01
Saudi Arabian Oil 3.25%	340,000	US$	24.11.2050		219	0.01
Saudi Electricity Global Sukuk 4.723%	600,000	US$	27.09.2028		559	0.03
Siemens Financieringsmaatschappij 3.625%	400,000	€	24.02.2043		388	0.02
Tencent Holdings 2.39%	340,000	US$	03.06.2030		264	0.01
TenneT Holding 4.75%	105,000	€	28.10.2042		114	0.01
Toronto-Dominion Bank 0.5%	215,000	€	18.01.2027		188	0.01
TotalEnergies FRN	100,000	€	29.12.2049		95	0.00
UBS Group FRN	370,000	US$	12.05.2028		325	0.01
UBS Group FRN	385,000	US$	13.08.2030		301	0.01
UBS Group FRN	215,000	€	17.03.2032		215	0.01
Union Pacific 2.8%	750,000	US$	14.02.2032		603	0.03
Vienna Insurance Group FRN	100,000	€	15.06.2042		93	0.00
Zurich Finance FRN	200,000	US$	19.04.2051		140	0.01
'BBB' credit rated bonds					**262,645**	**11.75**
AA Bond 7.375%	160,000	£	31.07.2050		175	0.01
AA Bond 8.45%	100,000	£	31.07.2050		115	0.01
AbbVie 3.2%	1,400,000	US$	21.11.2029		1,182	0.05
ABJA Investment 5.45%	433,000	US$	24.01.2028		387	0.02
ABN AMRO Bank FRN	100,000	€	22.02.2033		99	0.00
ABN AMRO Bank 4.5%	100,000	€	21.11.2034		100	0.00
AerCap Ireland Capital Via AerCap Global Aviation Trust 3%	200,000	US$	29.10.2028		159	0.01
AerCap Ireland Capital Via AerCap Global Aviation Trust 3.3%	264,000	US$	30.01.2032		199	0.01
Aeroporti di Roma 1.75%	165,000	€	30.07.2031		132	0.01
AIB Group FRN	255,000	€	23.07.2029		249	0.01
Albemarle 5.05%	170,000	US$	01.06.2032		152	0.01
Allianz FRN	200,000	€	31.12.2099		139	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
America Movil 4.7%	200,000	US$	21.07.2032		180	0.01
American International Group 5.125%	600,000	US$	27.03.2033		545	0.02
American Water Capital 2.3%	950,000	US$	01.06.2031		737	0.03
American Water Capital 6.593%	750,000	US$	15.10.2037		781	0.04
Amphenol 4.75%	93,000	US$	30.03.2026		86	0.00
Amprion 3.971%	200,000	€	22.09.2032		203	0.01
Anglo American Capital 3.875%	450,000	US$	16.03.2029		379	0.02
Anglo American Capital 5.625%	290,000	US$	01.04.2030		267	0.01
Anheuser-Busch InBev Worldwide 5.45%	588,000	US$	23.01.2039		563	0.03
Anheuser-Busch InBev Worldwide 5.8%	225,000	US$	23.01.2059		224	0.01
APA Infrastructure 1.25%	230,000	€	15.03.2033		169	0.01
APTIV 3.1%	425,000	US$	01.12.2051		246	0.01
Arcadis 4.875%	100,000	€	28.02.2028		101	0.00
Argenta Spaarbank FRN	100,000	€	29.11.2027		98	0.00
Argenta Spaarbank FRN	200,000	€	08.02.2029		162	0.01
Argentum Netherlands for Swiss Re FRN	200,000	US$	31.12.2099		157	0.01
Arion Banki 0.375%	150,000	€	14.07.2025		132	0.01
Arion Banki 0.625%	230,000	€	27.05.2024		220	0.01
Aroundtown FRN	100,000	£	31.12.2099		41	0.00
Arthur J Gallagher & Co 5.5%	69,000	US$	02.03.2033		64	0.00
ASR Nederland FRN	120,000	€	07.12.2043		124	0.01
ASR Nederland FRN	100,000	€	02.05.2049		86	0.00
ASTM 1.5%	155,000	€	25.01.2030		124	0.01
Australia & New Zealand Banking Group FRN	643,000	£	16.09.2031		613	0.03
Autostrade per l'Italia 4.375%	209,000	€	16.09.2025		210	0.01
Banco Bilbao Vizcaya Argentaria FRN	600,000	US$	14.09.2028		559	0.03
Banco de Crédito del Perú FRN	684,000	US$	01.07.2030		569	0.03
Banco General 4.125%	675,000	US$	07.08.2027		575	0.03
Banco Santander FRN	200,000	£	04.10.2032		184	0.01
Bank Leumi FRN	400,000	US$	29.01.2031		321	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Bank Leumi FRN	400,000	US$	18.07.2033		358	0.02
Bank Mandiri Persero 5.5%	400,000	US$	04.04.2026		371	0.02
Bank of East Asia FRN	400,000	US$	22.04.2032		326	0.01
Bank of Ireland Group FRN	323,000	US$	30.09.2027		258	0.01
Bankinter FRN	400,000	€	23.12.2032		326	0.01
Banque Fédérative du Crédit Mutuel FRN	400,000	€	16.06.2032		382	0.02
Banque Fédérative du Crédit Mutuel 5.125%	100,000	€	13.01.2033		100	0.00
Barclays FRN	571,000	€	09.08.2029		454	0.02
Barclays FRN	310,000	£	31.01.2031		355	0.02
Barclays FRN	600,000	US$	02.11.2033		605	0.03
Bayer Finance II 4.625%	400,000	US$	25.06.2038		331	0.02
Bayerische Landesbank FRN	300,000	€	23.09.2031		249	0.01
Belfius Bank FRN	300,000	€	06.04.2034		235	0.01
Blackstone Property Partners Europe Holdings 1.75%	100,000	€	12.03.2029		74	0.00
Blackstone Property Partners Europe Holdings 3.625%	200,000	€	29.10.2029		164	0.01
BNP Paribas FRN	300,000	€	15.01.2032		256	0.01
BNP Paribas FRN	400,000	US$	01.03.2033		336	0.02
Boeing 5.705%	475,000	US$	01.05.2040		438	0.02
BP Capital Markets FRN	305,000	€	31.12.2099		266	0.01
BPCE FRN	350,000	US$	19.10.2032		245	0.01
BPCE FRN	100,000	€	25.01.2035		98	0.00
BPCE FRN	400,000	€	13.10.2046		286	0.01
BPRL International Singapore 4.375%	400,000	US$	18.01.2027		352	0.02
Broadcom 1.95%	100,000	US$	15.02.2028		80	0.00
Broadcom 2.6%	930,000	US$	15.02.2033		668	0.03
Broadcom 3.187%	175,000	US$	15.11.2036		122	0.01
Bureau Veritas 1.875%	200,000	€	06.01.2025		193	0.01
Burgan Bank FRN	400,000	US$	15.12.2031		281	0.01
Caixa Geral de Depositos FRN	100,000	€	31.10.2028		103	0.00
CaixaBank FRN	200,000	US$	18.01.2029		185	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
CaixaBank FRN	400,000	€	14.11.2030		411	0.02
Capital One Financial 1.65%	100,000	€	12.06.2029		78	0.00
CBRE Global Investors Open-Ended Funds 0.5%	250,000	€	27.01.2028		178	0.01
Celanese US Holdings 6.165%	500,000	US$	15.07.2027		461	0.02
Celanese US Holdings 6.379%	205,000	US$	15.07.2032		190	0.01
Celulosa Arauco y Constitución 4.25%	400,000	US$	30.04.2029		339	0.02
Ceske Drahy 5.625%	400,000	€	12.10.2027		410	0.02
Citigroup FRN	810,000	US$	03.06.2031		627	0.03
Citigroup FRN	486,000	US$	17.03.2033		401	0.02
Citigroup FRN	189,000	US$	24.05.2033		170	0.01
Coca-Cola Europacific Partners 1.125%	230,000	€	12.04.2029		197	0.01
Consorcio Transmantaro 5.2%	200,000	US$	11.04.2038		166	0.01
Coventry Building Society 2%	237,000	£	20.12.2030		209	0.01
Covestro 4.75%	100,000	€	15.11.2028		101	0.00
CPI Property Group 1.625%	100,000	€	23.04.2027		72	0.00
Crédit Agricole FRN	650,000	US$	10.01.2033		540	0.02
Crédit Agricole FRN	200,000	€	31.12.2099		193	0.01
Crédit Agricole 3.25%	400,000	US$	14.01.2030		309	0.01
Crédit Mutuel Arkéa 3.375%	200,000	€	11.03.2031		179	0.01
Credit Suisse 7.75%	400,000	£	10.03.2026		471	0.02
Credit Suisse Group FRN	305,000	€	14.01.2028		253	0.01
Credit Suisse Group FRN	100,000	€	01.03.2029		109	0.01
Credit Suisse Group FRN	300,000	€	02.04.2032		248	0.01
Credit Suisse Group FRN	175,000	£	07.09.2033		208	0.01
CTP 1.25%	205,000	€	21.06.2029		141	0.01
CVS Health 5.05%	200,000	US$	25.03.2048		170	0.01
Daimler Trucks Finance North America 2.5%	242,000	US$	14.12.2031		183	0.01
Danske Bank FRN	300,000	€	15.05.2031		264	0.01
Davide Campari-Milano 1.25%	125,000	€	06.10.2027		110	0.01
DBS Group Holdings FRN	400,000	US$	31.12.2099		344	0.02

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
de Volksbank 4.875%	100,000	€	07.03.2030		101	0.00
Delamare Finance 5.5457%	79,873	£	19.02.2029		91	0.00
Dell International Via EMC 8.1%	163,000	US$	15.07.2036		173	0.01
Deutsche Bank FRN	500,000	£	24.06.2026		534	0.02
Development Bank of Kazakhstan 8.95%	145,000,000	KZT	04.05.2023		286	0.01
Dominion Energy 2.25%	300,000	US$	15.08.2031		225	0.01
Dominion Energy 3.375%	850,000	US$	01.04.2030		704	0.03
DP World Crescent 4.848%	261,000	US$	26.09.2028		239	0.01
DS Smith 2.875%	100,000	£	26.07.2029		98	0.00
Duke Energy 3.1%	300,000	€	15.06.2028		285	0.01
Duke Energy 3.85%	210,000	€	15.06.2034		196	0.01
DXC Technology 1.75%	210,000	€	15.01.2026		194	0.01
E.ON International Finance 4.75%	400,000	£	31.01.2034		430	0.02
E.ON International Finance 6.65%	120,000	US$	30.04.2038		121	0.01
Électricité de France 4.625%	500,000	€	25.01.2043		471	0.02
Électricité de France 4.75%	100,000	€	12.10.2034		101	0.00
Électricité de France 4.95%	400,000	US$	13.10.2045		314	0.01
Électricité de France 5.5%	600,000	£	25.01.2035		649	0.03
EnBW Energie Baden-Württemberg FRN	200,000	€	05.08.2079		167	0.01
EnBW Energie Baden-Württemberg FRN	100,000	€	29.06.2080		88	0.00
EnBW International Finance 1.875%	1,400,000	€	31.10.2033		1,164	0.05
Enel FRN	235,000	€	31.12.2099		190	0.01
Enel Finance International 7.5%	323,000	US$	14.10.2032		330	0.01
Enel Finance International 7.75%	1,210,000	US$	14.10.2052		1,295	0.06
Energy Transfer Operating 3.75%	740,000	US$	15.05.2030		617	0.03
Engie FRN	300,000	€	31.12.2099		223	0.01
Engie 1%	300,000	€	13.03.2026		280	0.01
Engie 3.625%	500,000	€	11.01.2030		497	0.02
Eni FRN	235,000	€	31.12.2099		196	0.01
Erste Group Bank FRN	300,000	€	07.06.2033		273	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Esercizi Aeroportuali SEA 3.5%	195,000	€	09.10.2025		185	0.01
Essential Utilities 2.704%	2,270,000	US$	15.04.2030		1,792	0.08
Essential Utilities 5.3%	650,000	US$	01.05.2052		576	0.03
Eversource Energy 3.375%	1,260,000	US$	01.03.2032		1,034	0.05
Eversource Energy 5.45%	284,000	US$	01.03.2028		270	0.01
EWE 0.375%	245,000	€	22.10.2032		177	0.01
Exelon 4.1%	240,000	US$	15.03.2052		179	0.01
FFP 1.875%	100,000	€	30.10.2026		88	0.00
Firstgroup 6.875%	68,000	£	18.09.2024		78	0.00
Flex 6%	353,000	US$	15.01.2028		328	0.01
Fondo Mivivienda 4.625%	152,000	US$	12.04.2027		133	0.01
Fraport Frankfurt Airport Services Worldwide 1.875%	225,000	€	31.03.2028		199	0.01
Freeport Indonesia 4.763%	400,000	US$	14.04.2027		360	0.02
Fresenius 2.875%	89,000	€	24.05.2030		80	0.00
Fresenius 5%	100,000	€	28.11.2029		102	0.00
General Electric FRN	1,500,000	US$	05.05.2026		1,372	0.06
General Electric 6.75%	800,000	US$	15.03.2032		841	0.04
General Motors 5.6%	227,000	US$	15.10.2032		201	0.01
Georgia Power 4.3%	500,000	US$	15.03.2042		403	0.02
Globe Telecom 2.5%	200,000	US$	23.07.2030		148	0.01
Globe Telecom 3%	200,000	US$	23.07.2035		136	0.01
Goldman Sachs Group FRN	245,000	US$	24.02.2028		205	0.01
Goldman Sachs Group FRN	369,000	US$	24.02.2028		331	0.01
Goldman Sachs Group 0.75%	70,000	€	23.03.2032		51	0.00
Goldman Sachs Group 4%	200,000	€	21.09.2029		196	0.01
Grainger 3.375%	125,000	£	24.04.2028		122	0.01
Grand City Properties FRN	100,000	€	31.12.2099		43	0.00
Hammerson 6%	210,000	£	23.02.2026		220	0.01
Harley-Davidson Financial Services 5.125%	168,000	€	05.04.2026		169	0.01
Harley-Davidson Financial Services 6.5%	230,000	US$	10.03.2028		214	0.01

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
HCA 4.375%	600,000	US$	15.03.2042		461	0.02
HCA 4.625%	198,000	US$	15.03.2052		150	0.01
HCA 5.125%	185,000	US$	15.06.2039		157	0.01
Heathrow Funding 1.125%	135,000	€	08.10.2032		109	0.01
Heathrow Funding 1.5%	200,000	€	12.10.2027		188	0.01
Hiscox FRN	105,000	£	24.11.2045		116	0.01
Hiscox 6%	360,000	£	22.09.2027		416	0.02
Holcim Finance Luxembourg 0.5%	115,000	€	23.04.2031		86	0.00
Holding d'Infrastructures et des Métiers de l'Environnement 0.125%	134,000	€	16.09.2025		121	0.01
HP 4.2%	287,000	US$	15.04.2032		237	0.01
HP 5.5%	225,000	US$	15.01.2033		204	0.01
HSBC Holdings FRN	400,000	£	16.11.2034		480	0.02
HSBC Holdings FRN	200,000	US$	29.12.2049		172	0.01
Huntsman International 4.25%	100,000	€	01.04.2025		99	0.00
Iberdrola International FRN	300,000	€	31.12.2099		245	0.01
Indofood CBP Sukses Makmur 3.398%	238,000	US$	09.06.2031		183	0.01
Indonesia (Republic of) 5.65%	217,000	US$	11.01.2053		208	0.01
Indonesia (Republic of) 6.125%	231,010,000,000	IDR	15.05.2028		14,008	0.63
Indonesia (Republic of) 6.625%	600,000	US$	17.02.2037		636	0.03
Indonesia (Republic of) 8.25%	325,131,000,000	IDR	15.05.2029		21,686	0.97
Indonesia (Republic of) 8.375%	125,294,000,000	IDR	15.03.2034		8,555	0.38
ING Groep FRN	200,000	€	26.05.2031		183	0.01
ING Groep FRN	100,000	€	24.08.2033		95	0.00
Inmobiliaria Vesta 3.625%	343,000	US$	13.05.2031		256	0.01
InterContinental Hotels Group 3.375%	170,000	£	08.10.2028		174	0.01
Intesa Sanpaolo FRN	200,000	US$	21.11.2033		192	0.01
Intesa Sanpaolo 4%	720,000	US$	23.09.2029		563	0.03
Israel Electric 3.75%	200,000	US$	22.02.2032		160	0.01
JAB Holdings 2.25%	200,000	€	19.12.2039		139	0.01
Julius Baer Group FRN	200,000	€	31.12.2099		177	0.01

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
KBC Group FRN	300,000	€	07.12.2031		257	0.01
KeySpan Gas East 5.994%	1,000,000	US$	06.03.2033		947	0.04
Landesbank Baden-Württemberg 2.2%	200,000	€	09.05.2029		160	0.01
Landesbank Hessen-Thüringen Girozentrale FRN	300,000	€	15.09.2032		282	0.01
Landsbankinn 0.75%	215,000	€	25.05.2026		181	0.01
Legal & General Group FRN	135,000	£	26.11.2049		129	0.01
Lenovo Group 3.421%	802,000	US$	02.11.2030		620	0.03
Lenovo Group 6.536%	200,000	US$	27.07.2032		186	0.01
Lloyds Banking Group FRN	300,000	£	15.01.2026		318	0.01
Lloyds Banking Group FRN	1,200,000	US$	11.05.2027		970	0.04
Lloyds Banking Group FRN	135,000	£	15.12.2031		131	0.01
Logicor Financing 3.25%	180,000	€	13.11.2028		145	0.01
Lowe's 2.8%	320,000	US$	15.09.2041		207	0.01
Lowe's 4.25%	152,000	US$	01.04.2052		114	0.01
Magallanes 4.279%	250,000	US$	15.03.2032		204	0.01
Magallanes 5.05%	480,000	US$	15.03.2042		366	0.02
Magallanes 5.141%	1,004,000	US$	15.03.2052		742	0.03
Magallanes 5.391%	245,000	US$	15.03.2062		180	0.01
Mashreqbank FRN	703,000	US$	24.02.2033		667	0.03
McDonald's 4.875%	250,000	US$	09.12.2045		222	0.01
Meituan 2.125%	200,000	US$	28.10.2025		169	0.01
Meituan 3.05%	450,000	US$	28.10.2030		331	0.01
Merlin Properties Socimi 1.875%	100,000	€	04.12.2034		67	0.00
Metropolitan Edison 5.2%	51,000	US$	01.04.2028		47	0.00
Mexico (United Mexican States) 5.75%	241,028,900	MXN	05.03.2026		11,062	0.49
Mexico (United Mexican States) 7.5%	467,833,800	MXN	03.06.2027		22,584	1.01
Mexico (United Mexican States) 7.75%	740,152,800	MXN	29.05.2031		35,319	1.58
Mexico (United Mexican States) 7.75%	1,125,349,500	MXN	13.11.2042		49,866	2.23
Mizrahi Tefahot Bank FRN	400,000	US$	07.04.2031		314	0.01
Mondi Finance Europe 2.375%	180,000	€	01.04.2028		165	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Morgan Stanley FRN	750,000	US$	19.01.2038		681	0.03
National Australia Bank FRN	250,000	US$	12.01.2037		185	0.01
National Grid 4.275%	135,000	€	16.01.2035		133	0.01
National Grid Electricity Transmission 1.375%	300,000	£	16.09.2026		305	0.01
National Grid Electricity Transmission 2%	700,000	£	16.09.2038		516	0.02
Nationwide Building Society FRN	267,000	£	07.12.2027		308	0.01
Nationwide Building Society FRN	1,050,000	US$	16.02.2028		935	0.04
Nationwide Building Society FRN	801,000	US$	08.03.2029		677	0.03
Nationwide Building Society FRN	175,000	€	25.07.2029		167	0.01
NatWest Group FRN	258,000	£	29.03.2029		265	0.01
NatWest Group FRN	600,000	US$	18.05.2029		526	0.02
NBK Tier 1 Financing FRN	350,000	US$	31.12.2099		292	0.01
NE Property 2%	107,000	€	20.01.2030		76	0.00
NE Property 3.375%	155,000	€	14.07.2027		136	0.01
NewRiver REIT 3.5%	120,000	£	07.03.2028		117	0.01
NextEra Energy Capital Holdings 1.9%	500,000	US$	15.06.2028		401	0.02
NIBC Bank 0.25%	200,000	€	09.09.2026		170	0.01
NN Group FRN	200,000	€	01.03.2043		189	0.01
OCI 3.625%	108,000	€	15.10.2025		106	0.00
Oglethorpe Power 5.05%	960,000	US$	01.10.2048		799	0.04
Oracle 3.6%	240,000	US$	01.04.2040		170	0.01
Oracle 3.65%	1,400,000	US$	25.03.2041		988	0.04
Oracle 3.85%	110,000	US$	15.07.2036		86	0.00
Oracle 5.55%	196,000	US$	06.02.2053		171	0.01
Orano 3.375%	200,000	€	23.04.2026		194	0.01
Orano 5.375%	100,000	€	15.05.2027		103	0.00
Pacific Gas and Electric 4.55%	1,319,093	US$	01.07.2030		1,121	0.05
Pearson Funding 3.75%	130,000	£	04.06.2030		133	0.01
Pennsylvania Electric 5.15%	87,000	US$	30.03.2026		80	0.00
Pentair Finance 5.9%	76,000	US$	15.07.2032		72	0.00

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Peru (Republic of) 2.4%	718,000	US$	28.09.2027		566	0.03
Peru (Republic of) 5.35%	1,000,000	PEN	12.08.2040		191	0.01
PPG Industries 2.75%	135,000	€	01.06.2029		126	0.01
Principality Building Society 2.375%	210,000	£	23.11.2023		234	0.01
Prosus 1.288%	650,000	€	13.07.2029		496	0.02
Prosus 3.257%	515,000	US$	19.01.2027		431	0.02
Prosus 3.68%	400,000	US$	21.01.2030		312	0.01
PVH 4.625%	740,000	US$	10.07.2025		665	0.03
Quadient 2.25%	100,000	€	03.02.2025		94	0.00
RAC Bond 4.87%	282,000	£	06.05.2046		297	0.01
Raiffeisen Bank International FRN	100,000	€	12.03.2030		82	0.00
Raiffeisen Bank International FRN	300,000	€	20.12.2032		289	0.01
Raiffeisen Bank International FRN	200,000	€	17.06.2033		140	0.01
Rentokil Initial Finance 4.375%	200,000	€	27.06.2030		202	0.01
RI Finance Bonds No. 3 6.125%	115,000	£	13.11.2028		127	0.01
Rogers Communications 4.55%	230,000	US$	15.03.2052		174	0.01
RWE 3.625%	273,000	€	13.02.2029		270	0.01
Ryder System 4.3%	229,000	US$	15.06.2027		206	0.01
Sagax 1%	110,000	€	17.05.2029		76	0.00
Santander UK Group Holdings FRN	500,000	US$	15.03.2025		436	0.02
Santander UK Group Holdings FRN	290,000	€	25.08.2028		273	0.01
Santander UK Group Holdings FRN	600,000	£	17.01.2029		584	0.03
SATO 1.375%	100,000	€	24.02.2028		75	0.00
SBB Treasury 1.125%	150,000	€	26.11.2029		82	0.00
SEB 1.375%	200,000	€	16.06.2025		188	0.01
Severn Trent Utilities Finance 5.25%	212,000	£	04.04.2036		239	0.01
Shinhan Bank 4.375%	400,000	US$	13.04.2032		339	0.02
Silfin 2.875%	100,000	€	11.04.2027		87	0.00
SK Hynix 2.375%	800,000	US$	19.01.2031		550	0.02
Snam 1.25%	150,000	€	20.06.2034		111	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Sociedad Quimica y Minera de Chile 3.5%	700,000	US$	10.09.2051		452	0.02
Société Générale FRN	300,000	US$	21.01.2033		221	0.01
Société Générale FRN	400,000	US$	08.07.2035		288	0.01
Sofina 1%	100,000	€	23.09.2028		78	0.00
Southern 5.7%	500,000	US$	15.10.2032		482	0.02
Southern California Edison 2.85%	130,000	US$	01.08.2029		107	0.00
Southern California Edison 4.7%	412,000	US$	01.06.2027		379	0.02
Southern Gas Networks 3.1%	220,000	£	15.09.2036		193	0.01
Southern Water Services Finance 1.625%	257,000	£	30.03.2027		253	0.01
SSE FRN	211,000	€	31.12.2099		191	0.01
Stagecoach Group 4%	170,000	£	29.09.2025		183	0.01
Standard Chartered FRN	200,000	US$	01.04.2031		171	0.01
Standard Chartered FRN	100,000	€	23.09.2031		86	0.00
Standard Chartered FRN	1,100,000	US$	29.06.2032		793	0.04
Stellantis 1.25%	100,000	€	20.06.2033		75	0.00
Stellantis 2.75%	178,000	€	01.04.2032		158	0.01
Suez 5%	100,000	€	03.11.2032		106	0.00
Swedbank FRN	100,000	€	23.08.2032		93	0.00
Swedbank FRN	610,000	£	15.11.2032		710	0.03
Swiss Re Finance FRN	100,000	€	04.06.2052		77	0.00
TDC Net 5.618%	100,000	€	06.02.2030		99	0.00
Tesco 3.322%	1,028,000	£	05.11.2025		2,436	0.11
Tesco Property Finance 3 5.744%	206,059	£	13.04.2040		232	0.01
Thaioil Treasury Center 2.5%	433,000	US$	18.06.2030		320	0.01
Thames Water Utilities Finance 4.375%	233,000	€	18.01.2031		232	0.01
Thermo Fisher Scientific 1.875%	135,000	€	01.10.2049		86	0.00
Thermo Fisher Scientific Finance I 2%	135,000	€	18.10.2051		87	0.00
T-Mobile 3.5%	600,000	US$	15.04.2031		495	0.02
Tritax EuroBox 0.95%	148,000	€	02.06.2026		124	0.01
UniCredit FRN	425,000	€	15.11.2027		433	0.02

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
UniCredit FRN	500,000	€	17.01.2029		503	0.02
United Overseas Bank FRN	400,000	US$	14.10.2031		325	0.01
Upjohn Finance 1.908%	345,000	€	23.06.2032		265	0.01
Uruguay (Republic of) 8.25%	20,000,000	UYU	21.05.2031		422	0.02
Verizon Communications 2.55%	740,000	US$	21.03.2031		576	0.03
Verizon Communications 3.15%	310,000	US$	22.03.2030		259	0.01
Verizon Communications 4.75%	100,000	€	31.10.2034		106	0.00
Vier Gas Transport 4.625%	100,000	€	26.09.2032		103	0.00
Virgin Money UK FRN	160,000	£	25.09.2026		171	0.01
Viterra Finance 1%	100,000	€	24.09.2028		82	0.00
Volkswagen International Finance FRN	300,000	€	31.12.2099		273	0.01
Vonovia 1.625%	300,000	€	01.09.2051		137	0.01
Waste Connections 2.2%	2,000,000	US$	15.01.2032		1,506	0.07
Wells Fargo FRN	375,000	US$	30.04.2026		323	0.01
Wells Fargo FRN	195,000	€	04.05.2030		168	0.01
Wells Fargo FRN	700,000	US$	11.02.2031		544	0.02
Wells Fargo FRN	200,000	US$	04.04.2031		175	0.01
Wells Fargo FRN	1,165,000	US$	02.03.2033		924	0.04
Wells Fargo FRN	53,000	US$	25.07.2033		47	0.00
Wessex Water Services Finance 5.125%	264,000	£	31.10.2032		294	0.01
Westlake Chemical 1.625%	205,000	€	17.07.2029		172	0.01
Westpac Banking FRN	150,000	€	13.05.2031		131	0.01
Westpac Banking FRN	317,000	US$	18.11.2036		227	0.01
Whitbread Group 2.375%	120,000	£	31.05.2027		118	0.01
Workspace Group 2.25%	100,000	£	11.03.2028		87	0.00
Yara International 7.378%	70,000	US$	14.11.2032		71	0.00
Yorkshire Building Society FRN	200,000	£	11.10.2030		198	0.01
Yorkshire Water Finance 5.25%	268,000	£	28.04.2030		304	0.01
Zimmer Biomet Holdings 1.164%	270,000	€	15.11.2027		240	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds					**172,422**	**7.71**
Abertis Infraestructuras Finance FRN	200,000	€	31.12.2099		179	0.01
AIB Group FRN	120,000	€	30.05.2031		108	0.00
AIB Group FRN	200,000	€	31.12.2099		179	0.01
Albertsons Companies Via Safeway Via New Albertsons Via Albertsons 4.875%	231,000	US$	15.02.2030		196	0.01
Allwyn Entertainment FRN	100,000	€	15.02.2028		100	0.00
Alsea 7.75%	400,000	US$	14.12.2026		355	0.02
America Movil 5.375%	200,000	US$	04.04.2032		165	0.01
Ardagh Metal Packaging Finance 2%	185,000	€	01.09.2028		153	0.01
AT&T FRN	300,000	€	31.12.2099		279	0.01
Atos 2.5%	100,000	€	07.11.2028		76	0.00
ATP Tower Holdings Via Andean Tower Partners Colombia Via Andean Telecom Partner 4.05%	700,000	US$	27.04.2026		558	0.03
Azerbaijan (Republic of) 3.5%	232,000	US$	01.09.2032		182	0.01
Banco Bilbao Vizcaya Argentaria FRN	200,000	€	31.12.2099		184	0.01
Banco BPM 1.625%	250,000	€	18.02.2025		235	0.01
Banco Continental SAECA 2.75%	400,000	US$	10.12.2025		325	0.01
Banco de Crédito Social Cooperativo FRN	100,000	€	22.09.2026		101	0.00
Banco de Sabadell FRN	600,000	€	16.06.2028		487	0.02
Banco de Sabadell FRN	200,000	€	12.12.2028		197	0.01
Banco de Sabadell FRN	100,000	€	16.08.2033		88	0.00
Banco Mercantil del Norte FRN	800,000	US$	31.12.2099		617	0.03
Banco Nacional de Comercio Exterior FRN	1,000,000	US$	11.08.2031		776	0.03
Banco Santander FRN	200,000	€	31.12.2099		159	0.01
Bangkok Bank FRN	1,150,000	US$	25.09.2034		900	0.04
Bank Muscat 4.75%	800,000	US$	17.03.2026		711	0.03
Bank Negara Indonesia FRN	441,000	US$	31.12.2099		330	0.01
Bank of Ireland Group FRN	345,000	€	11.08.2031		295	0.01
Barclays FRN	100,000	€	22.03.2031		86	0.00
Barclays FRN	100,000	£	14.11.2032		117	0.01
BBVA Bancomer FRN	800,000	US$	18.01.2033		627	0.03

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Belden 3.375%	100,000	€	15.07.2031		85	0.00
Belden 3.875%	165,000	€	15.03.2028		153	0.01
Bertelsmann FRN	200,000	€	23.04.2075		182	0.01
Bidvest Group 3.625%	365,000	US$	23.09.2026		304	0.01
Bioceanico Sovereign Certificate 0%	913,285	US$	05.06.2034		569	0.03
Brazil (Federal Republic of) 10%	1,767,000	BRL	01.01.2029		288	0.01
Brazil (Federal Republic of) 10%	200,500,000	BRL	01.01.2031		31,776	1.42
Brazil (Federal Republic of) 10%	222,000,000	BRL	01.01.2033		34,205	1.53
CaixaBank FRN	100,000	£	25.10.2033		110	0.01
CaixaBank FRN	200,000	€	31.12.2099		191	0.01
Canary Wharf Group Investment Holdings 3.375%	100,000	£	23.04.2028		81	0.00
Canpack Via Canpack US 3.125%	400,000	US$	01.11.2025		331	0.01
Canpack Via Canpack US 3.875%	300,000	US$	15.11.2029		220	0.01
Castellum FRN	310,000	€	31.12.2099		206	0.01
Cellnex Finance 2%	200,000	€	15.02.2033		153	0.01
Cemex 3.875%	400,000	US$	11.07.2031		303	0.01
Cemex 5.45%	400,000	US$	19.11.2029		345	0.02
Centrica FRN	200,000	£	10.04.2075		215	0.01
Charter Communications Operating Via Charter Communications Operating Capital 2.3%	1,025,000	US$	01.02.2032		715	0.03
Charter Communications Operating Via Charter Communications Operating Capital 2.8%	665,000	US$	01.04.2031		491	0.02
Charter Communications Operating Via Charter Communications Operating Capital 5.25%	871,000	US$	01.04.2053		645	0.03
Charter Communications Operating Via Charter Communications Operating Capital 6.384%	160,000	US$	23.10.2035		146	0.01
Colombia (Republic of) 3.125%	200,000	US$	15.04.2031		139	0.01
Colombia (Republic of) 7.75%	1,000,000,000	COP	18.09.2030		160	0.01
Colombia (Republic of) 8%	338,000	US$	20.04.2033		318	0.01
Colombia Telecomunicaciones 4.95%	500,000	US$	17.07.2030		337	0.02
Commerzbank FRN	200,000	€	29.12.2031		163	0.01
Commerzbank FRN	100,000	£	28.02.2033		114	0.01

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Continuum Energy Levanter 4.5%	325,500	US$	09.02.2027		266	0.01
ContourGlobal Power Holdings 3.125%	100,000	€	01.01.2028		80	0.00
Co-operative Bank Finance FRN	130,000	£	27.11.2025		149	0.01
Co-operative Bank Finance FRN	100,000	£	25.04.2029		113	0.01
Co-operative Group Holdings 7.5%	175,000	£	08.07.2026		186	0.01
CPI Property Group FRN	265,000	€	25.07.2028		104	0.00
Deutsche Bank FRN	500,000	€	24.06.2032		434	0.02
DIRECTV Holdings Via DIRECTV Financing 5.875%	194,000	US$	15.08.2027		160	0.01
Dominican (Republic of) 6.4%	600,000	US$	05.06.2049		460	0.02
Dominican (Republic of) 8%	10,000,000	DOP	12.02.2027		143	0.01
Eastern & Southern African Trade & Development Bank 4.125%	1,000,000	US$	30.06.2028		761	0.03
Ecopetrol 6.875%	400,000	US$	29.04.2030		334	0.02
Ecopetrol 8.875%	152,000	US$	13.01.2033		140	0.01
EDP - Energias de Portugal FRN	100,000	€	20.07.2080		91	0.00
EDP - Energias de Portugal FRN	100,000	€	02.08.2081		87	0.00
Electricidad Firme de Mexico Holdings 4.9%	400,000	US$	20.11.2026		320	0.01
Encore Capital Group 5.375%	200,000	£	15.02.2026		204	0.01
Endeavour Mining 5%	400,000	US$	14.10.2026		309	0.01
Energean Israel Finance 4.875%	160,584	US$	30.03.2026		137	0.01
EnfraGen Energia Sur Via EnfraGen Spain Via Prime Energia 5.375%	525,000	US$	30.12.2030		292	0.01
Eurofins Scientific FRN	155,000	€	29.12.2049		155	0.01
Eurofins Scientific FRN	103,000	€	31.12.2099		102	0.00
Fastighets Balder FRN	225,000	€	02.06.2081		152	0.01
Faurecia 3.75%	115,000	€	15.06.2028		103	0.00
Faurecia 7.25%	100,000	€	15.06.2026		103	0.00
Gatwick Airport Finance 4.375%	100,000	£	07.04.2026		105	0.00
Globo Comunicação e Participações 5.5%	489,000	US$	14.01.2032		358	0.02
Goodyear Europe 2.75%	235,000	€	15.08.2028		192	0.01
Greenko Solar Mauritius 5.95%	500,000	US$	29.07.2026		433	0.02

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Grupo Aval 4.375%	400,000	US$	04.02.2030		274	0.01
Grupo Bimbo FRN	400,000	US$	31.12.2099		368	0.02
Grupo KUO 5.75%	696,000	US$	07.07.2027		581	0.03
GTC Aurora Luxembourg 2.25%	127,000	€	23.06.2026		101	0.00
Guatemala (Republic of) 5.375%	350,000	US$	24.04.2032		313	0.01
Heimstaden 4.375%	200,000	€	06.03.2027		140	0.01
Heimstaden Bostad FRN	130,000	€	31.12.2099		72	0.00
Heritage Petroleum 9%	200,000	US$	12.08.2029		192	0.01
ICCREA Banca FRN	220,000	€	17.01.2027		197	0.01
IHO Verwaltungs 8.75%	100,000	€	15.05.2028		102	0.00
INEOS Styrolution Group 2.25%	230,000	€	16.01.2027		200	0.01
InRetail Consumer 3.25%	200,000	US$	22.03.2028		158	0.01
Intesa Sanpaolo FRN	200,000	US$	01.06.2032		132	0.01
Intesa Sanpaolo 8.505%	450,000	£	20.09.2032		504	0.02
Intesa Sanpaolo Vita 2.375%	250,000	€	22.12.2030		187	0.01
Intrum 3.5%	210,000	€	15.07.2026		175	0.01
IQVIA 2.25%	225,000	€	15.03.2029		192	0.01
Kasikornbank FRN	400,000	US$	10.08.2041		306	0.01
Kennedy Wilson Europe Real Estate 3.25%	300,000	€	12.11.2025		262	0.01
Klabin Austria 3.2%	200,000	US$	12.01.2031		151	0.01
Lagardere 1.625%	100,000	€	21.06.2024		98	0.00
Lagardere 2.125%	100,000	€	16.10.2026		98	0.00
Lloyds Banking Group FRN	200,000	£	31.12.2099		203	0.01
Macedonia (Republic of) 1.625%	100,000	€	10.03.2028		79	0.00
Macy's Retail Holdings 5.875%	540,000	US$	01.04.2029		453	0.02
MAF Global Securities 6.375%	600,000	US$	31.12.2099		539	0.02
Mahle 2.375%	200,000	€	14.05.2028		154	0.01
Marks & Spencer 3.75%	100,000	£	19.05.2026		103	0.00
MAS Securities 4.25%	813,000	€	19.05.2026		677	0.03
Metalsa 3.75%	500,000	US$	04.05.2031		346	0.02

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Millicom International Cellular 4.5%	800,000	US$	27.04.2031		585	0.03
Minsur 4.5%	500,000	US$	28.10.2031		392	0.02
MPT Operating Partnership Via MPT Finance 0.993%	207,000	€	15.10.2026		141	0.01
Natura Luxembourg Holdings 6%	200,000	US$	19.04.2029		161	0.01
Naturgy Finance FRN	300,000	€	31.12.2099		262	0.01
NatWest Group FRN	200,000	£	14.08.2030		211	0.01
NatWest Group FRN	183,000	£	28.11.2031		175	0.01
NatWest Group FRN	350,000	€	14.09.2032		286	0.01
NatWest Group FRN	291,000	US$	28.11.2035		203	0.01
Neptune Energy Bondco 6.625%	200,000	US$	15.05.2025		180	0.01
Network i2i FRN	600,000	US$	31.12.2099		527	0.02
Nexa Resources 5.375%	670,000	US$	04.05.2027		579	0.03
NGG Finance FRN	200,000	£	18.06.2073		222	0.01
Norddeutsche Landesbank-Girozentrale 6.25%	400,000	US$	10.04.2024		356	0.02
Nordstrom 4.25%	6,000	US$	01.08.2031		4	0.00
Nordstrom 4.375%	110,000	US$	01.04.2030		77	0.00
Oman (Sultanate of) 6.5%	380,000	US$	08.03.2047		323	0.01
Organon Via Organon Foreign Debt Co-Issuer 2.875%	220,000	€	30.04.2028		194	0.01
Paprec Holding 3.5%	100,000	€	01.07.2028		87	0.00
Paprec Holding 4%	125,000	€	31.03.2025		124	0.01
Permanent TSB Group Holdings FRN	165,000	€	30.06.2025		163	0.01
Permanent TSB Group Holdings FRN	170,000	€	19.08.2031		136	0.01
Pinewood Finance 3.25%	140,000	£	30.09.2025		149	0.01
Premier Foods Finance 3.5%	185,000	£	15.10.2026		192	0.01
Provident Financial 8.25%	100,000	£	04.06.2023		113	0.01
RCI Banque FRN	200,000	€	18.02.2030		183	0.01
Rede D'Ór Finance 4.5%	500,000	US$	22.01.2030		379	0.02
Rede D'Ór Finance 4.95%	650,000	US$	17.01.2028		538	0.02
ReNew Wind Energy AP2 Via ReNew Power and other 9 Subsidiaries 4.5%	600,000	US$	14.07.2028		462	0.02
Repsol International Finance FRN	270,000	€	31.12.2099		255	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Rolls-Royce 1.625%	320,000	€	09.05.2028		266	0.01
Sable International Finance 5.75%	427,000	US$	07.09.2027		367	0.02
Sagicor Financial 5.3%	600,000	US$	13.05.2028		523	0.02
Samhällsbyggnadsbolaget i Norden FRN	255,000	€	31.12.2099		98	0.00
Sappi Papier Holding 3.625%	220,000	€	15.03.2028		192	0.01
SASOL Financing 5.875%	600,000	US$	27.03.2024		547	0.02
Schaeffler 3.375%	100,000	€	12.10.2028		92	0.00
Serbia (Republic of) 1.5%	300,000	€	26.06.2029		229	0.01
SES FRN	155,000	€	29.12.2049		152	0.01
SES FRN	125,000	€	31.12.2099		102	0.00
Société Générale FRN	340,000	US$	29.12.2049		293	0.01
South Africa (Republic of) 5.75%	500,000	US$	30.09.2049		337	0.02
South Africa (Republic of) 7%	582,600,000	ZAR	28.02.2031		24,828	1.11
South Africa (Republic of) 8.5%	4,000,000	ZAR	31.01.2037		166	0.01
South Africa (Republic of) 8.875%	804,000,000	ZAR	28.02.2035		35,516	1.59
Southern Gas Corridor 6.875%	400,000	US$	24.03.2026		374	0.02
Summit Properties 2%	100,000	€	31.01.2025		88	0.00
Telefónica Celular del Paraguay 5.875%	450,000	US$	15.04.2027		378	0.02
Telefónica Europe FRN	300,000	€	31.12.2099		257	0.01
Tereos Finance Groupe I 7.25%	155,000	€	15.04.2028		153	0.01
Terna - Rete Elettrica Nazionale FRN	100,000	€	31.12.2099		84	0.00
Triodos Bank FRN	300,000	€	05.02.2032		224	0.01
UEP Penonome II 6.5%	669,377	US$	01.10.2038		465	0.02
Unicaja Banco FRN	300,000	€	15.11.2027		302	0.01
UniCredit FRN	200,000	US$	03.04.2049		173	0.01
UniCredit FRN	200,000	€	31.12.2099		177	0.01
Uzbekistan (Republic of) 4.85%	750,000	US$	21.10.2025		639	0.03
Vallourec 8.5%	178,000	€	30.06.2026		177	0.01
VEON Holdings 6.3%	29,000,000	RUB	18.06.2025		226	0.01
Virgin Media Secured Finance 4.25%	180,000	£	15.01.2030		167	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Vivion Investments 3%	200,000	€	08.08.2024		145	0.01
Vivo Energy Investments 5.125%	364,000	US$	24.09.2027		307	0.01
Vodafone Group FRN	150,000	€	03.10.2078		137	0.01
Vodafone Group FRN	110,000	€	27.08.2080		89	0.00
Wintershall Dea Finance 2 FRN	100,000	€	31.12.2099		84	0.00
Woori Bank FRN	800,000	US$	31.12.2099		693	0.03
ZF Europe Finance 2.5%	100,000	€	23.10.2027		87	0.00
ZF Finance 3.75%	100,000	€	21.09.2028		89	0.00
'B' credit rated bonds					**13,558**	**0.61**
AA Bond 6.5%	100,000	£	31.01.2026		97	0.00
Absa Group FRN	200,000	US$	31.12.2099		166	0.01
Altice France 4.125%	130,000	€	15.01.2029		101	0.00
Ams 6%	200,000	€	31.07.2025		187	0.01
Atrium Finance Issuer 2.625%	100,000	€	05.09.2027		73	0.00
Avantor Funding 3.875%	150,000	€	15.07.2028		140	0.01
Axian Telecom 7.375%	200,000	US$	16.02.2027		168	0.01
Aydem Yenilenebilir Enerji 7.75%	394,000	US$	02.02.2027		308	0.01
Banco Davivienda FRN	200,000	US$	31.12.2099		127	0.01
Banco de Crédito Social Cooperativo FRN	100,000	€	27.11.2031		77	0.00
Banco Industrial FRN	265,000	US$	29.01.2031		227	0.01
Barclays FRN	200,000	US$	31.12.2099		165	0.01
Bellis Acquisition 3.25%	210,000	£	16.02.2026		197	0.01
Boxer Parent 6.5%	200,000	€	02.10.2025		199	0.01
Catalent Pharma Solutions 2.375%	200,000	€	01.03.2028		180	0.01
CHS Via Community Health Systems 8%	225,000	US$	15.12.2027		197	0.01
Constellation Automotive Financing 4.875%	180,000	£	15.07.2027		151	0.01
CPUK Finance 4.875%	162,000	£	28.02.2047		176	0.01
Dana Financing Luxembourg 3%	225,000	€	15.07.2029		175	0.01
DEMIRE Deutsche Mittelstand Real Estate 1.875%	300,000	€	15.10.2024		214	0.01
DISH Network 11.75%	230,000	US$	15.11.2027		201	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Électricité de France FRN	200,000	€	31.12.2099		192	0.01
Elior Group 3.75%	200,000	€	15.07.2026		176	0.01
ERO Copper 6.5%	401,000	US$	15.02.2030		322	0.01
Eurobank FRN	170,000	€	26.01.2029		166	0.01
First Quantum Minerals 6.875%	400,000	US$	01.03.2026		356	0.02
Fortress Transportation and Infrastructure Investors 5.5%	251,000	US$	01.05.2028		209	0.01
Georgia Capital Issued International Bonds 6.125%	750,000	US$	09.03.2024		675	0.03
Grifols Escrow Issuer 3.875%	100,000	€	15.10.2028		78	0.00
Gruenenthal 4.125%	100,000	€	15.05.2028		91	0.00
Grupo Antolin-Irausa 3.375%	175,000	€	30.04.2026		147	0.01
Herbalife Nutrition Via HLF Financing 7.875%	190,000	US$	01.09.2025		165	0.01
HTA Group 7%	400,000	US$	18.12.2025		350	0.02
Iceland Bondco 4.625%	180,000	£	15.03.2025		183	0.01
IHS Holding 6.25%	400,000	US$	29.11.2028		297	0.01
Iliad Holding 5.125%	115,000	€	15.10.2026		111	0.00
International Design Group 6.5%	225,000	€	15.11.2025		217	0.01
IPD 3 5.5%	100,000	€	01.12.2025		98	0.00
Jaguar Land Rover Automotive 6.875%	145,000	€	15.11.2026		139	0.01
Kenbourne Invest 4.7%	264,000	US$	22.01.2028		142	0.01
Kronos International 3.75%	111,000	€	15.09.2025		102	0.00
LCPR Senior Secured Financing 6.75%	200,000	US$	15.10.2027		169	0.01
LeasePlan FRN	200,000	€	31.12.2099		193	0.01
Liberty Costa Rica Senior Secured Finance 10.875%	600,000	US$	15.01.2031		520	0.02
Lincoln Financing 3.625%	101,713	€	01.04.2024		101	0.00
Liquid Telecom Finance 5.5%	400,000	US$	04.09.2026		251	0.01
Lorca Telecom Bondco 4%	260,000	€	18.09.2027		239	0.01
Nomad Foods Bondco 2.5%	250,000	€	24.06.2028		219	0.01
Novo Banco FRN	200,000	€	06.07.2028		191	0.01
Ocado Group 3.875%	186,000	£	08.10.2026		158	0.01
Ontex Group 3.5%	180,000	€	15.07.2026		159	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Oriflame Investment Holding FRN	100,000	€	04.05.2026		60	0.00
Oriflame Investment Holding 5.125%	367,000	US$	04.05.2026		205	0.01
Parts Europe 6.5%	100,000	€	16.07.2025		101	0.00
Pinnacle Bidco 6.375%	145,000	£	15.02.2025		153	0.01
PLT VII Finance 4.625%	105,000	€	05.01.2026		99	0.00
Punch Finance 6.125%	185,000	£	30.06.2026		184	0.01
Q-Park Holding I 2%	140,000	€	01.03.2027		117	0.01
Renk 5.75%	205,000	€	15.07.2025		201	0.01
Sherwood Financing 4.5%	114,000	€	15.11.2026		98	0.00
Silknet 8.375%	200,000	US$	31.01.2027		180	0.01
SLM Student Loan Trust FRN	66,671	€	15.12.2033		62	0.00
Stonegate Pub Financing 8.25%	100,000	£	31.07.2025		107	0.00
Summer (BC) Holdco B 5.75%	105,000	€	31.10.2026		92	0.00
Telecom Italia 6.875%	200,000	€	15.02.2028		205	0.01
Tenet Healthcare 6.125%	155,000	US$	15.06.2030		139	0.01
Thames Water Kemble Finance 4.625%	280,000	£	19.05.2026		283	0.01
Total Play Telecomunicaciones 6.375%	400,000	US$	20.09.2028		179	0.01
Türk Telekom 6.875%	400,000	US$	28.02.2025		354	0.02
TVL Finance FRN	115,000	£	15.07.2025		128	0.01
United Group 4.875%	100,000	€	01.07.2024		97	0.00
Verisure Holding 3.875%	240,000	€	15.07.2026		223	0.01
Vertical Midco 4.375%	120,000	€	15.07.2027		109	0.00
Voyage Care Bondco 5.875%	110,000	£	15.02.2027		104	0.00
VZ Vendor Financing II 2.875%	170,000	€	15.01.2029		136	0.01
'CCC' credit rated bonds					**3,920**	**0.18**
Access Bank 6.125%	400,000	US$	21.09.2026		295	0.01
Akbank FRN	400,000	US$	27.04.2028		368	0.02
ALROSA Finance 3.1%	640,000	US$	25.06.2027		40	0.00
Altice France Holding 8%	100,000	€	15.05.2027		75	0.00
ARD Finance 5%	100,000	€	30.06.2027		75	0.00

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'CCC' credit rated bonds (continued)						
Ardagh Metal Packaging Finance 4.75%	100,000	£	15.07.2027		88	0.00
Banco Comercial Português FRN	200,000	€	31.12.2099		166	0.01
Banco do Brasil FRN	600,000	US$	29.10.2049		505	0.02
Banijay Group 6.5%	210,000	€	01.03.2026		206	0.01
Bausch Health 4.875%	48,000	US$	01.06.2028		26	0.00
Boparan Finance 7.625%	315,000	£	30.11.2025		234	0.01
Casino Guichard Perrachon 4.048%	100,000	€	05.08.2026		26	0.00
Casino Guichard Perrachon 6.625%	160,000	€	15.01.2026		50	0.00
Eskom Holdings 7.125%	400,000	US$	11.02.2025		362	0.02
Grifols 3.2%	150,000	€	01.05.2025		137	0.01
GTLK Europe Capital 4.65%[a]	200,000	US$	10.03.2027		0	0.00
GTLK Europe Capital 5.125%[a]	400,000	US$	31.05.2024		0	0.00
Hacienda Investments Via DME Airport 5.35%	316,000	US$	08.02.2028		156	0.01
Kosmos Energy 7.125%	450,000	US$	04.04.2026		357	0.02
La Financiere Atalian 5.125%	175,000	€	15.05.2025		119	0.01
Sigma Holdco 5.75%	215,000	€	15.05.2026		173	0.01
Summer (BC) Holdco A 9.25%	99,116	€	31.10.2027		82	0.00
Superior Industries International 6%	215,000	€	15.06.2025		196	0.01
TK Elevator Holdco 6.625%	90,000	€	15.07.2028		76	0.00
Triton Water Holdings 6.25%	150,000	US$	01.04.2029		108	0.01
'CC' credit rated bonds					**312**	**0.01**
ADLER Group 4.25%	200,000	€	26.07.2024		141	0.01
ADLER Real Estate 3%	100,000	€	27.04.2026		74	0.00
Atento Luxco 1 8%	330,000	US$	10.02.2026		97	0.00
'C' credit rated bonds					**357**	**0.02**
Bausch Health 6.25%	160,000	US$	15.02.2029		58	0.01
Easy Tactic 7.5%	216,078	US$	11.07.2028		46	0.00
Kernel Holding 6.75%	277,000	US$	27.10.2027		148	0.01
NAK Naftogaz Ukraine Via Kondor Finance 7.625%	300,000	US$	08.11.2026		54	0.00
Ukraine (Republic of) 7.75%	300,000	US$	01.09.2027		51	0.00

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'D' credit rated bonds					**61**	**0.00**
Yuzhou Group Holdings 7.375%	371,000	US$	13.01.2026		34	0.00
Yuzhou Group Holdings 8.3%	300,000	US$	27.05.2025		27	0.00
Bonds with no credit rating					**752,961**	**33.68**
Commercial Bank FRN	300,000	US$	31.12.2099		249	0.01
Dominican (Republic of) 8%	10,000,000	DOP	15.01.2027		143	0.01
France (Republic of) 0%	111,580,000	€	14.06.2023		110,972	4.96
France (Republic of) 0%	66,374,520	€	06.09.2023		65,574	2.93
France (Republic of) 0%	145,634,000	€	04.10.2023		143,484	6.42
Germany (Federal Republic of) 0%	134,860,000	€	16.06.2023		134,135	6.00
Germany (Federal Republic of) 0%	66,524,000	€	20.09.2023		65,645	2.94
Germany (Federal Republic of) 0%	235,640,000	€	18.10.2023		231,983	10.37
International Container Terminal Services 4.75%	200,000	US$	17.06.2030		173	0.01
Jollibee Worldwide 4.75%	700,000	US$	24.06.2030		603	0.03
Sovcombank Via SovCom Capital FRN[a]	269,000	US$	07.04.2030		0	0.00
Debt derivatives					**6,624**	**0.30**
Credit default swaps					**19**	**0.00**
America Movil Dec 2025	1,250,000	US$			5	0.00
Boeing Jun 2025	100,000	US$			1	0.00
Boeing Jun 2026	400,000	US$			3	0.00
Deutsche Bank Jun 2026	520,000	€			10	0.00
Interest rate swaps					**201**	**0.01**
Pay 1.3177% Receive Var. Mar 2027	1,800,000	£			199	0.01
Pay Var. Receive 3.1968% Oct 2027	2,500,000	€			14	0.00
Pay Var. Receive 2.7048% Nov 2027	2,200,000	€			(40)	0.00
Pay Var. Receive 4.0356% Mar 2028	2,000,000	£			17	0.00
Pay Var. Receive 3.3558% Mar 2028	1,000,000	£			(25)	0.00
Pay 2.0547% Receive Var. Apr 2029	1,100,000	£			115	0.00
Pay Var. Receive 3.2823% Oct 2032	600,000	€			14	0.00
Pay Var. Receive 2.6733% Nov 2032	600,000	€			(18)	0.00
Pay 3.3987% Receive Var. Oct 2052	650,000	US$			(39)	0.00

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt derivatives (continued)						
Interest rate swaps (continued)						
Pay 3.6267% Receive Var. Mar 2053	500,000	£			(36)	0.00
Interest rate futures					**6,404**	**0.29**
Deutscher Bobl 5 year Futures	(155)	€	08.06.2023	155	(316)	(0.01)
Deutscher Bund 10 year Futures	(55)	€	08.06.2023	52	(245)	(0.01)
Deutscher Buxl 30 year Futures	(8)	€	08.06.2023	6	(68)	0.00
Deutscher Schatz 2 year Futures	(130)	€	08.06.2023	129	(100)	0.00
Canada Goverment Bonds 10 year Futures	29	CA$	21.06.2023	18	81	0.00
US Treasury Notes 10 year Futures	(99)	US$	21.06.2023	95	(348)	(0.02)
US Treasury Notes 10 year Futures	(33)	US$	21.06.2023	31	(24)	0.00
US Treasury Notes 30 year Futures	9	US$	21.06.2023	9	40	0.00
US Ultra Bond Futures	1,753	US$	21.06.2023	1,493	7,302	0.33
UK Treasury Notes Futures	(46)	£	28.06.2023	55	(121)	(0.01)
US Treasury Notes 2 year Futures	66	US$	30.06.2023	121	71	0.00
US Treasury Notes 5 year Futures	87	US$	30.06.2023	81	132	0.01
Currency					**(1,731)**	**(0.07)**
Forward currency contracts					**(1,731)**	**(0.07)**
Bought for € 15,597,694.39, Sold for £ 13,866,363.56			06.04.2023		(187)	(0.01)
Bought for € 9,763,061.73, Sold for US$ 10,425,256.66			06.04.2023		174	0.01
Bought for £ 200,000.00, Sold for € 227,612.39			06.04.2023		0	0.00
Bought for CNY 87,093,717.17, Sold for US$ 12,542,912.12			12.04.2023		117	0.01
Bought for US$ 131,756,390.89, Sold for CNY 887,405,376.26			12.04.2023		2,445	0.11
Bought for US$ 68,360,307.51, Sold for TWD 2,054,391,251.00			12.04.2023		816	0.04
Bought for € 748,910.46, Sold for US$ 812,133.98			26.04.2023		2	0.00
Bought for £ 545,656.56, Sold for US$ 666,351.48			26.04.2023		8	0.00
Bought for US$ 16,934,961.42, Sold for € 15,853,855.32			26.04.2023		(294)	(0.01)
Bought for US$ 15,587,778.88, Sold for £ 12,753,565.50			26.04.2023		(186)	(0.01)
Bought for IDR 679,357,734,687.00, Sold for US$ 44,901,370.43			27.04.2023		400	0.02
Bought for KRW 43,342,670,450.00, Sold for US$ 35,236,511.08			27.04.2023		(1,834)	(0.08)
Bought for US$ 45,366,125.85, Sold for IDR 679,357,734,687.00			27.04.2023		26	0.00
Bought for € 86,153,184.18, Sold for £ 76,492,542.64			28.04.2023		(856)	(0.04)

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Currency (continued)						
Forward currency contracts (continued)						
Bought for € 78,528,921.09, Sold for ¥ 11,157,336,792.00			28.04.2023		1,371	0.06
Bought for € 120,839,464.92, Sold for MXN 2,533,520,221.49			28.04.2023		(7,448)	(0.33)
Bought for € 320,356,442.88, Sold for US$ 348,718,009.48			28.04.2023		(5)	0.00
Bought for € 63,080,911.14, Sold for ZAR 1,189,461,230.11			28.04.2023		1,844	0.08
Bought for £ 31,496,452.17, Sold for € 35,681,198.37			28.04.2023		145	0.01
Bought for MXN 1,374,344,244.86, Sold for € 68,176,910.23			28.04.2023		1,415	0.06
Bought for US$ 36,646,673.60, Sold for € 33,832,699.97			28.04.2023		(167)	(0.01)
Bought for ZAR 1,189,461,230.11, Sold for € 60,727,509.67			28.04.2023		510	0.02
Bought for € 55,934.03, Sold for US$ 60,170.90			01.06.2023		1	0.00
Bought for US$ 2,067,574.83, Sold for € 1,924,453.90			01.06.2023		(28)	0.00
Portfolio of investments					**1,890,039**	**84.54**
Share class hedging					**(870)**	**(0.04)**
Bought for AUD 241,037.44, Sold for € 149,509.88			19.04.2023		0	0.00
Bought for CHF 6,710,924.65, Sold for € 6,903,447.60			19.04.2023		(169)	(0.01)
Bought for € 8,049.79, Sold for AUD 12,949.16			19.04.2023		0	0.00
Bought for € 184,078.71, Sold for CHF 181,651.54			19.04.2023		2	0.00
Bought for € 160,754.43, Sold for £ 142,086.46			19.04.2023		(1)	0.00
Bought for € 3,164.02, Sold for HKD 26,658.49			19.04.2023		0	0.00
Bought for € 1,589,365.27, Sold for US$ 1,714,270.66			19.04.2023		13	0.00
Bought for £ 6,046,434.67, Sold for € 6,828,384.17			19.04.2023		51	0.00
Bought for HKD 1,139,889.53, Sold for € 135,864.91			19.04.2023		(4)	0.00
Bought for US$ 55,500,831.70, Sold for € 51,777,084.77			19.04.2023		(762)	(0.03)
Total portfolio					**1,889,169**	**84.50**
Net other assets/(liabilities)					346,760	15.50
Net assets					**2,235,929**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	465,060	20.80
Equity portfolios	77,889	3.48
Bond portfolios	64,713	2.89
Debt securities	1,275,718	57.06
Swap contracts	378	0.01
Unrealised gains on futures contracts	15,429	0.70
Unrealised gains on forward currency contracts	9,340	0.42
Total Investment assets	**1,908,527**	**85.36**
Investment liabilities		
Swap contracts	(158)	0.00
Unrealised losses on futures contracts	(7,259)	(0.33)
Unrealised losses on forward currency contracts	(11,941)	(0.53)
Total Investment liabilities	**(19,358)**	**(0.86)**
Total portfolio	**1,889,169**	**84.50**
Net other assets/(liabilities)	**346,760**	**15.50**
Net assets	**2,235,929**	**100.00**

[a] Fair valued.
[b] Crossholding (see note 11).

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures			
	Swaps €'000	Forward currency contracts €'000	Futures €'000	Collateral held as cash €'000
Bank of America Merrill Lynch	0	0	688,249	0
Barclays Bank London	67,943	31,905	0	3,054
BNP Paribas	92	158,937	0	0
Citigroup Global Markets Limited	0	51	0	0
Goldman Sachs International	368	0	0	0
HSBC Bank Plc	0	919,008	0	0
JP Morgan London	0	669,535	0	7,061
Merrill Lynch Pierce Fenner + Smith Inc	0	49,005	0	0
National Australia Bank Ltd	0	35,740	0	0
Standard Chartered Bank	0	784,785	0	0
State Street Bank and Trust Company	0	134,622	0	434
State Street Bank and Trust Company, London Branch	0	226,814	0	0
UBS AG London	0	251,446	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Australian dollar						
Class 'A-H' Accumulation	+1.5	+8.9	n/a	+2.3	n/a	08.04.19
Class 'A-H M' Distribution	+1.5	+8.9	n/a	+2.2	n/a	08.04.19
Class 'C-H' Accumulation	+2.6	+10.0	n/a	+3.3	n/a	08.04.19
Class 'C-H M' Distribution	+2.6	+10.0	n/a	+3.3	n/a	08.04.19
Euro						
Class 'A' Accumulation	+0.2	+8.2	+0.8	+4.1	03.12.09	16.01.18
Class 'A' Distribution	+0.2	+8.2	+0.8	+3.3	12.07.13	16.01.18
Class 'B' Accumulation	-0.3	+7.7	+0.3	+2.9	26.07.13	16.01.18
Class 'C' Accumulation	+1.2	+9.3	+1.8	+5.1	03.12.09	16.01.18
Class 'C' Distribution	+1.3	+9.3	+1.8	+4.1	08.08.14	16.01.18
Class 'CI' Accumulation	+1.3	+9.3	+1.9	+5.1	03.12.09	16.01.18
Class 'JI' Accumulation	+1.4	+9.5	n/a	+3.3	n/a	26.02.19

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Hong Kong dollar						
Class 'A-H' Accumulation	+2.2	+9.7	n/a	+3.6	n/a	08.04.19
Class 'A-H M' Distribution	+2.3	+9.7	n/a	+3.6	n/a	08.04.19
Class 'C-H' Accumulation	+3.1	+10.8	n/a	+4.6	n/a	08.04.19
Class 'C-H M' Distribution	+3.2	+10.8	n/a	+4.6	n/a	08.04.19
Sterling						
Class 'A-H' Accumulation	+1.7	+9.2	n/a	+2.9	n/a	05.07.19
Class 'A-H' Distribution	+1.8	+9.3	n/a	+3.0	n/a	05.07.19
Class 'C-H' Accumulation	+2.8	+10.4	+2.7	+4.6	14.12.15	16.01.18
Class 'C-H' Distribution	+2.8	+10.3	+2.7	+4.6	14.12.15	16.01.18
Swiss franc						
Class 'A-H' Accumulation	-0.4	+7.8	+0.5	+1.3	05.06.15	16.01.18
Class 'C-H' Accumulation	+0.6	+8.9	+1.5	+2.2	05.06.15	16.01.18
US dollar						
Class 'A-H' Accumulation	+3.1	+10.0	+3.0	+3.5	05.06.15	16.01.18
Class 'A-H' Distribution	+3.2	+10.0	+3.0	+3.6	05.06.15	16.01.18
Class 'A-H M F4' Distribution	+3.2	+10.0	+3.0	+3.5	05.06.15	01.02.18
Class 'C-H' Accumulation	+4.0	+11.1	+4.0	+4.5	05.06.15	16.01.18
Class 'C-H' Distribution	+4.2	+11.1	+4.0	+4.5	05.06.15	16.01.18

[a] Sub-fund performance before the launch of the sub-fund on 16 January 2018 is that of the relevant Merged Share Class of the M&G Dynamic Allocation Fund, which includes UK taxes but excludes entry and exit charges. The M&G Dynamic Allocation Fund is a UK authorised sub-fund which launched on 3 December 2009 and its non-Sterling share classes merged into M&G (Lux) Dynamic Allocation Fund on 16 March 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Australian dollar		**AU$**	**AU$**	**AU$**
Class 'A-H' Accumulation	7,944.000	10.9261	10.7613	10.3608
Class 'A-H M' Distribution	4,465.000	10.0827	10.2123	9.9960
Class 'C-H' Accumulation	4,466.000	11.3605	11.0745	10.5719
Class 'C-H M' Distribution	4,467.000	10.5110	10.5362	10.1986
Euro		**€**	**€**	**€**
Class 'A' Accumulation	126,314,759.458	10.0400	10.0159	9.7110
Class 'A' Distribution	10,948,414.960	9.1743	9.3891	9.2409
Class 'B' Accumulation	12,286,042.451	9.7821	9.8076	9.5567
Class 'C' Accumulation	25,117,367.219	10.5783	10.4478	10.0289
Class 'C' Distribution	425,995.537	9.6674	9.7937	9.5435
Class 'CI' Accumulation	23,884,755.577	10.6001	10.4656	10.0425
Class 'JI' Accumulation	14,041,224.565	11.4246	11.2627	10.7912
Hong Kong dollar		**HK$**	**HK$**	**HK$**
Class 'A-H' Accumulation	2,479.200	115.0068	112.5715	108.2376
Class 'A-H M' Distribution	2,479.300	106.3814	106.9743	104.4515
Class 'C-H' Accumulation	2,479.400	119.6164	116.0403	110.4535
Class 'C-H M' Distribution	2,479.500	110.6301	110.2885	106.6018
Sterling		**£**	**£**	**£**
Class 'A-H' Accumulation	8,164.494	11.1320	10.9413	10.5338
Class 'A-H' Distribution	2,405.000	10.4237	10.5032	10.2613
Class 'C-H' Accumulation	526,077.780	11.0763	10.7708	10.2598
Class 'C-H' Distribution	2,465.000	10.1066	10.0849	9.7664
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	31,078.500	9.8624	9.9036	9.6193
Class 'C-H' Accumulation	607,297.720	10.4000	10.3407	9.9451

Financial highlights

	Shares outstanding as at 31.03.23	31.03.23	NAV per share 31.03.22	31.03.21
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	1,289,053.989	11.2051	10.8669	10.4411
Class 'A-H' Distribution	275,391.622	10.2634	10.2021	9.9489
Class 'A-H M F4' Distribution	117,414.725	9.0928	9.1851	9.1808
Class 'C-H' Accumulation	3,043,445.319	11.7979	11.3408	10.7877
Class 'C-H' Distribution	8,861.166	10.8010	10.6306	10.2632

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	2,235,929	2,394,240	3,210,817
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**2,235,929**	**2,394,240**	**3,210,817**

Total Expense Ratio 31.03.23	TER[a]
Australian dollar	**%**
Class 'A-H' Accumulation	2.02
Class 'A-H M' Distribution	1.99
Class 'C-H' Accumulation	1.02
Class 'C-H M' Distribution	1.00
Euro	**%**
Class 'A' Accumulation	1.99
Class 'A' Distribution	1.99
Class 'B' Accumulation	2.49
Class 'C' Accumulation	0.98
Class 'C' Distribution	0.98
Class 'CI' Accumulation	0.95
Class 'JI' Accumulation	0.80
Hong Kong dollar	**%**
Class 'A-H' Accumulation	2.01
Class 'A-H M' Distribution	2.02
Class 'C-H' Accumulation	1.02
Class 'C-H M' Distribution	1.02
Sterling	**%**
Class 'A-H' Accumulation	2.00
Class 'A-H' Distribution	2.00
Class 'C-H' Accumulation	1.00
Class 'C-H' Distribution	1.00

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Swiss franc	**%**
Class 'A-H' Accumulation	2.01
Class 'C-H' Accumulation	1.01
US dollar	**%**
Class 'A-H' Accumulation	2.00
Class 'A-H' Distribution	2.01
Class 'A-H M F4' Distribution	2.01
Class 'C-H' Accumulation	1.01
Class 'C-H' Distribution	1.01

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

In the first half of the review period, the outlook for emerging market debt continued to worsen due to sharp rises in interest rates. Furthermore, higher food and energy prices in developing countries pushed up inflation expectations, causing a spill-over into other goods and services. A strong US dollar exacerbated the situation, resulting in a flight of capital from emerging markets.

However, emerging market bonds rebounded strongly in the fourth quarter of 2022. This strong performance continued into the new year amid optimism about the reopening Chinese economy post-COVID-19 and expectations that major central banks would end their interest-rate hiking cycle in 2023. Major emerging market currencies such as the Mexican peso and Brazilian real rallied against the US dollar. Nonetheless, the US banking crisis in March created heightened volatility among lower-rated financial issuers. Emerging market debt registered negative returns over the review period, with local currency sovereign debt outperforming hard currency sovereign bonds.

Against this challenging backdrop, the sub-fund delivered a negative return and some of its share classes underperformed its benchmark.

Sub-fund outperformance was driven largely by country allocation decisions. Our remaining sovereign bond exposure to Russia contributed positively following strong price movements later in the review period. The sub-fund's overweight to Uruguay was another notable contributor. However, our positioning in Ghana and Sri Lanka detracted from relative returns after both countries failed to meet payments on their external debt in 2022.

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.

Investment activities

There were no major changes in the sub-fund's positioning, with hard currency assets continuing to make up the bulk of our exposure. Nevertheless, we maintained our overweight position (relative to the benchmark index) in local currency assets.

In May, we closed our position in Costa Rican sovereign bonds on valuation grounds and due to rising political uncertainty in the country. In July, we reduced our position in Armenia due to concerns over the country's fundamentals. Other sovereign bond holdings trimmed during the period included Bahrain, Bolivia and Romania.

We increased our exposure to larger economies in Latin America and Eastern Europe. Despite a lacklustre primary market, we managed to participate in new sovereign issues from Bulgaria and Romania in September. In the secondary market, we added dollar sovereign bonds from Panama, Colombia and Poland in November.

In January and February, we were once again active in the primary market, participating in new dollar issuances from a number of countries such as Mexico, Hungary, Poland and the United Arab Emirates. In the secondary market, we added sovereign bonds from Jamaica but trimmed exposures to Peru, Uruguay and Nigeria on valuation concerns.

Within corporates, we trimmed our exposure to Enfragen Energia (Colombia), VTR (Chile) and KOS (Ghana) in August. Later we reduced our holdings in Brazilian car rental operator Simpar and investment management company XP. Towards the end of the review period, we bought a few names including Bharti Airtel, Natura and Hunt Oil, as these bonds were trading at attractive valuations.

Outlook

Overall, we believe the macroeconomic backdrop is favourable for emerging market bonds in 2023. An environment of modest economic growth and cooling inflation should be supportive. Inflation has started to moderate in many emerging economies due to the recent fall in food and energy prices. Food accounts for 30-45% of the consumer price index in poorer emerging markets. Meanwhile, we believe that

Investment review

fundamentals remain generally robust at both a corporate and a sovereign level.

We also feel that emerging market bonds appear compelling from a valuation perspective, offering higher real yields when compared to developed market bonds. As inflation moderates and central banks slow the pace of interest rate hikes, current yields may look especially appealing, most notably within local currency bonds.

As for hard currency bonds, we favour high yield bonds over investment grade on valuation grounds, especially in Latin America and the Middle East. We continue to be selective and carry out detailed credit analysis to unearth interesting opportunities in the high yield segment.

Claudia Calich
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income					**2,911,732**	**95.21**
Debt securities					**2,911,732**	**95.21**
'AAA' credit rated bonds					**61,919**	**2.02**
International Finance 7.5%	21,000,000	GEL	18.10.2023		8,022	0.26
International Finance 11%	35,000,000,000	UZS	18.10.2024		2,937	0.09
Singapore (Republic of) 2.75%	68,000,000	SG$	01.07.2023		50,960	1.67
'AA' credit rated bonds					**40,900**	**1.34**
Qatar (State of) 5.103%	16,500,000	US$	23.04.2048		16,803	0.55
Qatar Petroleum 3.125%	21,000,000	US$	12.07.2041		16,438	0.54
TSMC Arizona 2.5%	9,000,000	US$	25.10.2031		7,659	0.25
'A' credit rated bonds					**202,566**	**6.62**
Abu Dhabi Commercial Bank 4.5%	5,900,000	US$	14.09.2027		5,791	0.19
AIA Group FRN	6,247,000	US$	31.12.2099		5,403	0.18
Bank Gospodarstwa Krajowego 3%	4,494,000	€	30.05.2029		4,475	0.15
Bank Gospodarstwa Krajowego 5.125%	8,864,000	€	22.02.2033		9,837	0.32
Bermuda (Commonwealth of) 5%	10,173,000	US$	15.07.2032		10,188	0.33
BOC Aviation 2.625%	5,000,000	US$	17.09.2030		4,278	0.14
BOC Aviation 3.875%	7,000,000	US$	27.04.2026		6,720	0.22
Chile (Republic of) 2.5%	7,000,000,000	CLP	01.03.2025		8,254	0.27
EIG Pearl Holdings 3.545%	9,275,000	US$	31.08.2036		7,959	0.26
Greensaif Pipelines Bidco 6.129%	7,241,000	US$	23.02.2038		7,417	0.24
Greensaif Pipelines Bidco 6.51%	6,207,000	US$	23.02.2042		6,508	0.21
Japan (Kingdom of) 0.1%	5,600,000,000	¥	20.06.2023		42,025	1.37
Poland (Republic of) 4.25%	13,258,000	€	14.02.2043		13,995	0.46
Poland (Republic of) 5.5%	13,636,000	US$	04.04.2053		13,764	0.45
Poland (Republic of) 5.75%	7,164,000	US$	16.11.2032		7,621	0.25
SA Global Sukuk 2.694%	11,131,000	US$	17.06.2031		9,791	0.32
Slovakia (Republic of) 4%	28,000,000	€	23.02.2043		29,675	0.97
Tencent Holdings 3.24%	13,575,000	US$	03.06.2050		8,865	0.29
'BBB' credit rated bonds					**773,707**	**25.30**
ABJA Investment 5.45%	8,950,000	US$	24.01.2028		8,687	0.28
Banco de Crédito del Perú FRN	3,846,000	US$	01.07.2030		3,480	0.11
Banco de Crédito del Perú FRN	5,667,000	US$	30.09.2031		4,918	0.16

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Bank Leumi FRN	10,000,000	US$	29.01.2031		8,727	0.29
Bulgaria (Republic of) 4.625%	10,762,000	€	23.09.2034		11,535	0.38
Consorcio Transmantaro 5.2%	3,059,000	US$	11.04.2038		2,765	0.09
Croatia (Republic of) 2.875%	8,700,000	€	22.04.2032		8,799	0.29
Development Bank of Kazakhstan 8.95%	5,201,750,000	KZT	04.05.2023		11,146	0.36
Flex 6%	4,397,000	US$	15.01.2028		4,436	0.14
Fondo Mivivienda 4.625%	7,826,000	US$	12.04.2027		7,458	0.24
Freeport Indonesia 4.763%	6,196,000	US$	14.04.2027		6,057	0.20
Hungary (Republic of) 6.25%	28,405,000	US$	22.09.2032		28,882	0.94
Hutama Karya Persero 3.75%	9,951,000	US$	11.05.2030		9,068	0.30
Indofood CBP Sukses Makmur 3.398%	9,365,000	US$	09.06.2031		7,808	0.26
Indonesia (Republic of) 7.5%	303,000,000,000	IDR	15.06.2035		21,120	0.69
Indonesia (Republic of) 8.25%	521,154,000,000	IDR	15.05.2036		38,493	1.26
Indonesia (Republic of) 8.375%	375,000,000,000	IDR	15.03.2034		27,835	0.91
Indonesia (Republic of) 8.375%	368,000,000,000	IDR	15.04.2039		27,696	0.91
Israel Electric 3.75%	5,930,000	US$	22.02.2032		5,165	0.17
Kazakhstan (Republic of) 5%	4,381,000,000	KZT	15.05.2023		9,541	0.31
Kazakhstan (Republic of) 8.05%	3,250,000,000	KZT	20.05.2024		6,672	0.22
Kazakhstan (Republic of) 13.75%	1,220,067,000	KZT	24.06.2026		2,726	0.09
Kazakhstan (Republic of) 16.7%	1,700,000,000	KZT	13.01.2025		3,889	0.13
KazMunayGas National 6.375%	4,500,000	US$	24.10.2048		3,738	0.12
Lenovo Group 3.421%	8,180,000	US$	02.11.2030		6,879	0.22
Lenovo Group 5.875%	5,900,000	US$	24.04.2025		5,940	0.19
Malaysia (Federation of) 3.885%	118,000,000	MYR	15.08.2029		26,789	0.88
Mashreqbank FRN	7,736,000	US$	24.02.2033		7,977	0.26
Meituan 3.05%	10,000,000	US$	28.10.2030		8,007	0.26
Mexico (United Mexican States) 5.625%	12,700,000	£	19.03.2114		11,919	0.39
Mexico (United Mexican States) 8%	467,000,000	MXN	05.09.2024		24,937	0.82
Mexico (United Mexican States) 8.5%	1,538,920,000	MXN	18.11.2038		81,275	2.66
Mizrahi Tefahot Bank FRN	8,964,000	US$	07.04.2031		7,638	0.25

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
MVM Energetika 0.875%	8,182,000	€	18.11.2027		6,953	0.23
NBK Tier 1 FRN	8,250,000	US$	31.12.2099		7,062	0.23
Panama (Republic of) 3.362%	6,363,000	US$	30.06.2031		5,353	0.17
Panama (Republic of) 4.5%	8,000,000	US$	16.04.2050		6,058	0.20
Panama (Republic of) 6.4%	16,000,000	US$	14.02.2035		16,538	0.54
Peru (Republic of) 5.4%	74,000,000	PEN	12.08.2034		16,499	0.54
Peru (Republic of) 5.94%	82,500,000	PEN	12.02.2029		20,697	0.68
Peru (Republic of) 6.15%	68,000,000	PEN	12.08.2032		16,519	0.54
Perusahaan Perseroan Persero PT Perusahaan Listrik Negara 1.875%	11,250,000	€	05.11.2031		9,149	0.30
Perusahaan Perseroan Persero PT Perusahaan Listrik Negara 4.875%	7,980,000	US$	17.07.2049		6,499	0.21
Philippines (Republic of) 6.25%	1,013,000,000	PHP	14.01.2036		18,302	0.60
Prosus 3.061%	2,000,000	US$	13.07.2031		1,572	0.05
Prosus 3.257%	6,945,000	US$	19.01.2027		6,321	0.21
Romania (Republic of) 2.875%	15,405,000	€	13.04.2042		9,858	0.32
Romania (Republic of) 4.15%	100,000,000	RON	26.01.2028		19,239	0.63
Romania (Republic of) 7.125%	31,980,000	US$	17.01.2033		33,792	1.10
Romania (Republic of) 8.75%	113,000,000	RON	30.10.2028		26,368	0.86
Shinhan Bank 4.375%	9,112,000	US$	13.04.2032		8,395	0.27
SK Hynix 2.375%	8,800,000	US$	19.01.2031		6,580	0.22
Thailand (Kingdom of) 1.25%	418,759,000	THB	12.03.2028		13,522	0.44
Uruguay (Republic of) 3.875%	1,349,918,908	UYU	02.07.2040		45,470	1.49
Uruguay (Republic of) 8.25%	913,561,644	UYU	21.05.2031		20,959	0.69
'BB' credit rated bonds					**995,713**	**32.56**
Alsea 7.75%	6,000,000	US$	14.12.2026		5,790	0.19
America Movil 5.375%	6,835,000	US$	04.04.2032		6,138	0.20
Azerbaijan (Republic of) 3.5%	14,330,000	US$	01.09.2032		12,195	0.40
Banco Mercantil del Norte FRN	11,250,000	US$	31.12.2099		10,038	0.33
Bangkok Bank FRN	10,700,000	US$	25.09.2034		9,105	0.30
Bank Negara Indonesia FRN	7,432,000	US$	31.12.2099		6,053	0.20

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
BBVA Bancomer FRN	7,350,000	US$	18.01.2033		6,266	0.20
Bidvest Group 3.625%	9,858,000	US$	23.09.2026		8,936	0.29
Bioceanico Sovereign Certificate 0%	20,587,270	US$	05.06.2034		13,939	0.46
Brazil (Federal Republic of) 10%	637,000,000	BRL	01.01.2029		113,002	3.70
Brazil (Federal Republic of) 10%	90,000,000	BRL	01.01.2033		15,074	0.49
Cemex 3.875%	7,000,000	US$	11.07.2031		5,760	0.19
Cemex 5.45%	4,000,000	US$	19.11.2029		3,748	0.12
Colombia (Republic of) 4.125%	12,800,000	US$	15.05.2051		7,786	0.25
Colombia (Republic of) 5.625%	6,350,000	US$	26.02.2044		4,760	0.16
Colombia (Republic of) 6.125%	6,450,000	US$	18.01.2041		5,233	0.17
Colombia (Republic of) 7.25%	138,000,000,000	COP	18.10.2034		21,166	0.69
Colombia (Republic of) 7.25%	102,000,000,000	COP	26.10.2050		13,308	0.44
Colombia (Republic of) 7.5%	13,322,000	US$	02.02.2034		13,004	0.43
Colombia (Republic of) 8%	4,915,000	US$	20.04.2033		5,022	0.16
Colombia (Republic of) 9.75%	27,627,000,000	COP	26.07.2028		5,134	0.17
Continuum Energy Levanter 4.5%	3,487,500	US$	09.02.2027		3,096	0.10
Côte d'Ivoire (Republic of) 4.875%	8,300,000	€	30.01.2032		6,895	0.23
Côte d'Ivoire (Republic of) 5.25%	13,648,000	€	22.03.2030		12,205	0.40
Côte d'Ivoire (Republic of) 6.625%	15,735,000	€	22.03.2048		11,892	0.39
Cyprus (Republic of) 0.95%	3,750,000	€	20.01.2032		3,181	0.10
Dominican (Republic of) 4.875%	3,500,000	US$	23.09.2032		2,969	0.10
Dominican (Republic of) 5.875%	7,466,000	US$	30.01.2060		5,677	0.19
Dominican (Republic of) 6%	6,389,000	US$	22.02.2033		5,842	0.19
Dominican (Republic of) 6.4%	13,600,000	US$	05.06.2049		11,328	0.37
Dominican (Republic of) 7.45%	6,879,000	US$	30.04.2044		6,609	0.22
Dominican (Republic of) 9.75%	946,000,000	DOP	05.06.2026		16,959	0.55
Dominican (Republic of) 13.625%	1,053,950,000	DOP	03.02.2033		21,768	0.71
Ecopetrol 7.375%	7,250,000	US$	18.09.2043		5,991	0.20
Ecopetrol 8.875%	6,693,000	US$	13.01.2033		6,694	0.22
Electricidad Firme de Mexico Holdings 4.9%	5,000,000	US$	20.11.2026		4,354	0.14

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Empresas Publicas de Medellin 8.375%	32,209,000,000	COP	08.11.2027		5,416	0.18
Energean Israel Finance 4.875%	3,793,796	US$	30.03.2026		3,520	0.12
Energean Israel Finance 5.375%	3,672,368	US$	30.03.2028		3,300	0.11
EnfraGen Energia Sur Via EnfraGen Spain Via Prime Energia 5.375%	8,363,000	US$	30.12.2030		5,054	0.17
Georgia (Republic of) 2.75%	6,600,000	US$	22.04.2026		5,909	0.19
Globo Comunicação e Participações 5.5%	10,064,000	US$	14.01.2032		7,999	0.26
Greenko Solar Mauritius 5.95%	12,575,000	US$	29.07.2026		11,850	0.39
Grupo KUO 5.75%	11,425,000	US$	07.07.2027		10,366	0.34
Guatemala (Republic of) 4.65%	19,400,000	US$	07.10.2041		15,891	0.52
Guatemala (Republic of) 4.875%	9,500,000	US$	13.02.2028		9,239	0.30
Guatemala (Republic of) 4.9%	15,800,000	US$	01.06.2030		15,079	0.49
Heritage Petroleum 9%	19,238,000	US$	12.08.2029		20,107	0.66
Hunt Oil Company of Peru 6.375%	3,200,588	US$	01.06.2028		3,024	0.10
Ipoteka-Bank 5.5%	3,500,000	US$	19.11.2025		3,214	0.10
Macedonia (Republic of) 1.625%	14,278,000	€	10.03.2028		12,340	0.40
Macedonia (Republic of) 3.675%	11,250,000	€	03.06.2026		11,273	0.37
MAF Global Securities FRN	4,569,000	US$	31.12.2099		4,613	0.15
MAF Global Securities 6.375%	7,015,000	US$	31.12.2099		6,845	0.22
MARB BondCo 3.95%	10,000,000	US$	29.01.2031		7,641	0.25
Millicom International Cellular 4.5%	12,168,000	US$	27.04.2031		9,678	0.32
Millicom International Cellular 6.25%	4,400,100	US$	25.03.2029		4,002	0.13
Morocco (Kingdom of) 4%	23,231,000	US$	15.12.2050		15,880	0.52
Morocco (Kingdom of) 5.5%	13,903,000	US$	11.12.2042		12,038	0.39
Natura Cosméticos 4.125%	729,000	US$	03.05.2028		595	0.02
Natura Luxembourg Holdings 6%	2,754,000	US$	19.04.2029		2,410	0.08
Network i2i FRN	7,850,000	US$	31.12.2099		7,489	0.24
Nexa Resources 6.5%	7,800,000	US$	18.01.2028		7,533	0.25
OCP 3.75%	9,100,000	US$	23.06.2031		7,470	0.24
OCP 6.875%	6,800,000	US$	25.04.2044		6,186	0.20
Oman (Sultanate of) 6.5%	14,400,000	US$	08.03.2047		13,293	0.43

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Oman (Sultanate of) 6.75%	19,006,000	US$	17.01.2048		17,997	0.59
Paraguay (Republic of) 6.1%	21,906,000	US$	11.08.2044		21,087	0.69
Petróleos Mexicanos 7.19%	220,161,300	MXN	12.09.2024		11,318	0.37
Rede D'Ór Finance 4.5%	5,000,000	US$	22.01.2030		4,116	0.13
Rede D'Ór Finance 4.95%	8,250,000	US$	17.01.2028		7,419	0.24
Sagicor Financial 5.3%	7,531,000	US$	13.05.2028		7,136	0.23
SASOL Financing 5.875%	7,000,000	US$	27.03.2024		6,936	0.23
Serbia (Republic of) 1.65%	20,417,000	€	03.03.2033		14,690	0.48
Serbia (Republic of) 2.05%	20,586,000	€	23.09.2036		13,576	0.44
Serbia (Republic of) 4.5%	529,680,000	RSD	20.08.2032		4,171	0.14
Seychelles (Republic of) 8%	690,840	US$	01.01.2026		690	0.02
Sharjah (Emirate of) 6.5%	20,339,000	US$	23.11.2032		20,717	0.68
South Africa (Republic of) 5.375%	17,500,000	US$	24.07.2044		12,968	0.42
South Africa (Republic of) 8.75%	1,207,023,742	ZAR	28.02.2048		51,820	1.69
South Africa (Republic of) 8.875%	790,000,000	ZAR	28.02.2035		37,936	1.24
Southern Gas Corridor 6.875%	14,500,000	US$	24.03.2026		14,733	0.48
Telefónica Celular del Paraguay 5.875%	7,700,000	US$	15.04.2027		7,031	0.23
Teva Pharmaceutical Finance Netherlands II 3.75%	9,500,000	€	09.05.2027		9,360	0.31
Teva Pharmaceutical Finance Netherlands III 6.75%	12,000,000	US$	01.03.2028		11,931	0.39
Teva Pharmaceutical Finance Netherlands III 7.875%	1,649,000	US$	15.09.2029		1,719	0.06
Uzbek Industrial and Construction Bank 5.75%	2,700,000	US$	02.12.2024		2,500	0.08
Uzbekistan (Republic of) 3.9%	16,763,000	US$	19.10.2031		13,465	0.44
Uzbekistan (Republic of) 4.85%	6,393,000	US$	21.10.2025		5,918	0.19
Uzbekistan (Republic of) 5.375%	9,500,000	US$	20.02.2029		8,728	0.29
Uzbekistan (Republic of) 14%	130,500,000,000	UZS	19.07.2024		11,206	0.37
Vietnam (Republic of) 5.5%	7,856,550	US$	12.03.2028		7,621	0.25
Vivo Energy Investments 5.125%	3,000,000	US$	24.09.2027		2,753	0.09

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds					**469,716**	**15.36**
Albania (Republic of) 3.5%	8,517,000	€	09.10.2025		8,717	0.29
Albania (Republic of) 3.5%	10,379,000	€	23.11.2031		9,384	0.31
Angola (Republic of) 9.375%	17,009,000	US$	08.05.2048		13,371	0.44
Angola (Republica of) 8.75%	5,400,000	US$	14.04.2032		4,570	0.15
Armenia (Republic of) 3.6%	17,350,000	US$	02.02.2031		13,425	0.44
Armenia (Republic of) 3.95%	4,500,000	US$	26.09.2029		3,690	0.12
Aydem Yenilenebilir Enerji 7.75%	6,686,000	US$	02.02.2027		5,681	0.19
Bahamas (Commonwealth of) 6%	14,260,000	US$	21.11.2028		10,781	0.35
Bahamas (Commonwealth of) 8.95%	14,686,000	US$	15.10.2032		11,758	0.39
Bahrain (Kingdom of) 5.25%	10,000,000	US$	25.01.2033		8,701	0.29
Bahrain (Kingdom of) 5.625%	7,600,000	US$	30.09.2031		7,033	0.23
Banco Industrial FRN	6,642,000	US$	29.01.2031		6,187	0.20
Benin (Republic of) 4.875%	15,250,000	€	19.01.2032		12,549	0.41
Benin (Republic of) 6.875%	9,864,000	€	19.01.2052		7,457	0.24
Cameroon (Republic of) 5.95%	20,015,000	€	07.07.2032		15,714	0.51
Cemex FRN	3,000,000	US$	31.12.2099		2,986	0.10
Costa Rica (Republic of) 5.625%	7,000,000	US$	30.04.2043		6,107	0.20
Costa Rica (Republic of) 6.55%	6,507,000	US$	03.04.2034		6,544	0.21
Costa Rica (Republic of) 7%	6,000,000	US$	04.04.2044		5,881	0.19
Costa Rica (Republic of) 9.66%	2,240,000,000	CRC	30.09.2026		4,262	0.14
Costa Rica (Republic of) 10.35%	800,000,000	CRC	24.09.2025		1,517	0.05
Egypt (Republic of) 5.8%	8,767,000	US$	30.09.2027		6,177	0.20
Egypt (Republic of) 8.7002%	19,783,000	US$	01.03.2049		11,625	0.38
Egypt (Republic of) 8.875%	17,695,000	US$	29.05.2050		10,468	0.34
ERO Copper 6.5%	7,112,000	US$	15.02.2030		6,215	0.20
Honduras (Republic of) 6.25%	25,200,000	US$	19.01.2027		22,374	0.73
Jamaica (Commonwealth of) 7.875%	6,000,000	US$	28.07.2045		7,026	0.23
Jordan (Kingdom of) 6.125%	9,346,000	US$	29.01.2026		9,193	0.30
Jordan (Kingdom of) 7.375%	22,432,000	US$	10.10.2047		19,057	0.62
Kenbourne Invest 4.7%	7,858,000	US$	22.01.2028		4,591	0.15

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Kenya (Republic of) 8%	14,300,000	US$	22.05.2032		11,624	0.38
Kenya (Republic of) 8.25%	9,300,000	US$	28.02.2048		6,802	0.22
Liberty Costa Rica Senior Secured Finance 10.875%	8,850,000	US$	15.01.2031		8,342	0.27
Liquid Telecom Finance 5.5%	6,407,000	US$	04.09.2026		4,365	0.14
Mongolia (Republic of) 3.5%	7,850,000	US$	07.07.2027		6,316	0.21
Mongolia (Republic of) 4.45%	6,940,000	US$	07.07.2031		5,196	0.17
Mongolia (Republic of) 5.125%	8,562,000	US$	07.04.2026		7,635	0.25
Mongolia (Republic of) 8.65%	4,600,000	US$	19.01.2028		4,539	0.15
Mongolia (Republic of) 8.75%	6,200,000	US$	09.03.2024		6,214	0.20
Namibia (Republic of) 5.25%	11,300,000	US$	29.10.2025		10,777	0.35
Oriflame Investment Holding 5.125%	8,370,000	US$	04.05.2026		5,088	0.17
Papua New Guinea (Commonwealth of) 8.375%	3,800,000	US$	04.10.2028		3,441	0.11
Petróleos Mexicanos 6.75%	14,277,000	US$	21.09.2047		9,173	0.30
Petróleos Mexicanos 7.69%	21,250,000	US$	23.01.2050		14,759	0.48
Rwanda (Republic of) 5.5%	19,900,000	US$	09.08.2031		14,385	0.47
Senegal (Republic of) 4.75%	12,750,000	€	13.03.2028		11,665	0.38
Senegal (Republic of) 5.375%	4,000,000	€	08.06.2037		2,804	0.09
Senegal (Republic of) 6.25%	12,100,000	US$	23.05.2033		9,718	0.32
Senegal (Republic of) 6.75%	7,000,000	US$	13.03.2048		4,864	0.16
Serbia (Republic of) 4.75%	10,775,000	€	27.04.2026		11,017	0.36
Silknet 8.375%	4,943,000	US$	31.01.2027		4,841	0.16
Tajikistan (Republic of) 7.125%	18,325,000	US$	14.09.2027		14,224	0.47
Total Play Telecomunicaciones 6.375%	15,247,000	US$	20.09.2028		7,415	0.24
Turkey (Republic of) 6.5%	10,615,000	US$	20.09.2033		9,074	0.30
Turkey (Republic of) 6.625%	3,000,000	US$	17.02.2045		2,386	0.08
Uzbekistan (Republic of) 14.5%	61,710,000,000	UZS	25.11.2023		5,278	0.17
VTR Comunicaciones 5.125%	7,256,000	US$	15.01.2028		4,733	0.16
'CCC' credit rated bonds					**213,183**	**6.97**
Akbank FRN	3,300,000	US$	27.04.2028		3,298	0.11

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'CCC' credit rated bonds (continued)						
ALROSA Finance 3.1%	7,316,000	US$	25.06.2027		495	0.02
Banco do Brasil FRN	6,650,000	US$	29.10.2049		6,084	0.20
Barbados (Republic of) 6.5%	7,800,000	US$	01.10.2029		7,272	0.24
BOI Finance 7.5%	7,154,000	€	16.02.2027		6,066	0.20
Bolivia (Plurinational State of) 4.5%	5,456,000	US$	20.03.2028		2,975	0.10
Ecuador (Republic of) 0%	3,343,093	US$	31.07.2030		987	0.03
Ecuador (Republic of) 1.5%	12,363,636	US$	31.07.2040		3,656	0.12
Ecuador (Republic of) 2.5%	12,665,000	US$	31.07.2035		4,122	0.13
Eskom Holdings 6.75%	15,800,000	US$	06.08.2023		15,700	0.51
Eskom Holdings 7.125%	11,700,000	US$	11.02.2025		11,510	0.38
Gabon (Republic of) 6.625%	17,210,000	US$	06.02.2031		13,165	0.43
Gabon (Republic of) 6.95%	18,883,000	US$	16.06.2025		17,598	0.57
Gazprom Via Gaz Capital 4.95%	3,880,000	US$	23.03.2027		2,986	0.10
GTLK Europe Capital 4.65%[a]	1,395,000	US$	10.03.2027		0	0.00
GTLK Europe Capital 5.125%[a]	6,649,000	US$	31.05.2024		0	0.00
GTLK Europe Capital 5.95%[a]	5,667,000	US$	17.04.2025		0	0.00
Hacienda Investments Via DME Airport 5.35%	6,990,000	US$	08.02.2028		3,759	0.12
Iraq (Republic of) 5.8%	15,988,125	US$	15.01.2028		14,924	0.49
Kosmos Energy 7.125%	7,000,000	US$	04.04.2026		6,043	0.20
Maldives Sukuk Issuance 9.875%	7,414,000	US$	08.04.2026		6,339	0.21
Mozambique (Republic of) 5%	19,700,000	US$	15.09.2031		14,229	0.46
NAK Naftogaz Ukraine Via Kondor Finance 7.375%	3,830,000	US$	19.07.2022		1,104	0.04
Nigeria (Federal Republic of) 7.375%	20,321,000	US$	28.09.2033		14,352	0.47
Nigeria (Federal Republic of) 8.747%	14,990,000	US$	21.01.2031		12,051	0.39
Pakistan (Republic of) 6.875%	11,736,000	US$	05.12.2027		4,270	0.14
Pakistan (Republic of) 8.875%	4,438,000	US$	08.04.2051		1,544	0.05
Petróleos de Venezuela 5.375%	13,323,800	US$	12.04.2027		607	0.02
Russia (Federation of) 8.15%[b]	6,522,753,000	RUB	03.02.2027		30,671	1.00
YPF 8.5%	8,500,000	US$	28.07.2025		7,376	0.24

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'CC' credit rated bonds					**25,112**	**0.82**
El Salvador (Republic of) 7.1246%	13,410,000	US$	20.01.2050		6,169	0.20
El Salvador (Republic of) 9.5%	7,250,000	US$	15.07.2052		3,743	0.12
Ghana (Republic of) 8.125%	21,537,000	US$	26.03.2032		7,545	0.25
Ghana (Republic of) 8.627%	8,500,000	US$	16.06.2049		2,857	0.09
NPC Ukrenergo 6.875%	5,860,000	US$	09.11.2028		1,020	0.03
Ukraine (Republic of) 6.75%	6,000,000	€	20.06.2028		1,105	0.04
Ukraine (Republic of) 7.75%	2,500,000	US$	01.09.2029		469	0.02
Ukraine (Republic of) 9.75%	11,500,000	US$	01.11.2030		2,204	0.07
'C' credit rated bonds					**49,446**	**1.62**
Argentina (Republic of) 0.125%	9,484,000	€	09.07.2030		2,511	0.08
Argentina (Republic of) 0.5%	20,000,000	US$	09.07.2030		5,762	0.19
Argentina (Republic of) 1.5%	58,926,829	US$	09.07.2035		15,253	0.50
Argentina (Republic of) 1.5%	7,800,000	US$	09.07.2046		2,064	0.07
Argentina (Republic of) 5.25%	11,297,281	US$	01.09.2037		3,937	0.13
Argentina (Republic of) 6.875%	9,031,089	US$	01.02.2029		6,126	0.20
Argentina (Republic of) 15.5%	266,363,000	ARS	17.10.2026		298	0.01
Argentina (Republic of) 16%	90,000,000	ARS	17.10.2023		302	0.01
Kernel Holding 6.75%	8,399,000	US$	27.10.2027		4,880	0.16
NAK Naftogaz Ukraine Via Kondor Finance 7.625%	6,247,000	US$	08.11.2026		1,235	0.04
Ukraine (Republic of) 7.375%	14,528,000	US$	25.09.2034		2,545	0.08
Ukraine (Republic of) 9.99%	84,077,000	UAH	22.05.2024		1,836	0.06
Ukraine (Republic of) 11.67%	120,000,000	UAH	22.11.2023		2,697	0.09
'D' credit rated bonds					**16,862**	**0.55**
Petróleos de Venezuela 6%	6,844,900	US$	16.05.2024		333	0.01
Petróleos de Venezuela 9.75%	4,055,073	US$	17.05.2035		197	0.01
Sri Lanka (Republic of) 6.2%	3,000,000	US$	11.05.2027		1,073	0.04
Sri Lanka (Republic of) 6.75%	5,000,000	US$	18.04.2028		1,793	0.06
Sri Lanka (Republic of) 7.55%	6,000,000	US$	28.03.2030		2,152	0.07
Sri Lanka (Republic of) 7.85%	5,000,000	US$	14.03.2029		1,785	0.06
Yuzhou Group Holdings 7.375%	2,000,000	US$	13.01.2026		196	0.01

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'D' credit rated bonds (continued)						
Yuzhou Group Holdings 7.85%	4,419,000	US$	12.08.2026		432	0.01
Yuzhou Properties 7.7%	4,000,000	US$	20.02.2025		391	0.01
Zambia (Republic of) 8.5%	12,339,000	US$	14.04.2024		5,625	0.18
Zambia (Republic of) 8.97%	6,500,000	US$	30.07.2027		2,885	0.09
Bonds with no credit rating					**62,608**	**2.05**
Commercial Bank FRN	8,303,000	US$	31.12.2099		7,478	0.24
Dubai (Emirate of) 3.9%	20,416,000	US$	09.09.2050		14,853	0.49
International Container Terminal Services 4.75%	2,700,000	US$	17.06.2030		2,532	0.08
Jollibee Worldwide 4.75%	10,500,000	US$	24.06.2030		9,837	0.32
Sovcombank Via SovCom Capital FRN[a]	9,300,000	US$	07.04.2030		0	0.00
Venezuela (Republic of) 7%	13,324,000	US$	31.03.2038		1,446	0.05
Venezuela (Republic of) 9.25%	7,444,600	US$	07.05.2028		830	0.03
Viet Nam Debt & Asset Trading 1%	30,289,000	US$	10.10.2025		25,632	0.84
Currency					**(486)**	**(0.02)**
Forward currency contracts					**(486)**	**(0.02)**
Bought for CLP 12,000,000,000.00, Sold for US$ 14,981,273.41			01.06.2023		122	0.00
Bought for CZK 1,700,000,000.00, Sold for US$ 76,104,863.55			01.06.2023		2,224	0.07
Bought for ILS 43,100,000.00, Sold for US$ 11,841,915.10			01.06.2023		112	0.00
Bought for INR 1,300,000,000.00, Sold for US$ 15,624,061.05			01.06.2023		133	0.00
Bought for PLN 205,000,000.00, Sold for US$ 45,373,055.05			01.06.2023		2,089	0.07
Bought for THB 812,000,000.00, Sold for US$ 24,188,263.33			01.06.2023		(302)	(0.01)
Bought for US$ 294,817,975.83, Sold for € 274,362,470.31			01.06.2023		(4,413)	(0.14)
Bought for US$ 16,832,766.11, Sold for £ 13,950,000.00			01.06.2023		(451)	(0.01)
Portfolio of investments					**2,911,246**	**95.19**
Cash equivalents					**84,043**	**2.75**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	84,043,000	US$			**84,043**	**2.75**
Share class hedging					**4,723**	**0.16**
Bought for CHF 2,294,517.25, Sold for US$ 2,529,419.67			19.04.2023		(24)	0.00

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Share class hedging (continued)						
Bought for € 300,601,646.85, Sold for US$ 322,352,804.51			19.04.2023		4,688	0.15
Bought for £ 30,063,696.14, Sold for US$ 37,050,929.65			19.04.2023		165	0.01
Bought for SGD 34,762.06, Sold for US$ 25,799.30			19.04.2023		0	0.00
Bought for US$ 138,224.48, Sold for CHF 125,923.92			19.04.2023		1	0.00
Bought for US$ 6,090,737.72, Sold for € 5,699,236.92			19.04.2023		(108)	0.00
Bought for US$ 779.10, Sold for SGD 1,047.94			19.04.2023		0	0.00
Bought for US$ 2,215.24, Sold for ZAR 40,858.23			19.04.2023		0	0.00
Bought for ZAR 1,125,870.20, Sold for US$ 61,791.65			19.04.2023		1	0.00
Total portfolio					**3,000,012**	**98.10**
Net other assets/(liabilities)					58,092	1.90
Net assets					**3,058,104**	**100.00**

Portfolio summary		
Investment assets		
Debt securities	2,911,732	95.21
Unrealised gains on forward currency contracts	9,535	0.30
Total Investment assets	**2,921,267**	**95.51**
Investment liabilities		
Unrealised losses on forward currency contracts	(5,298)	(0.16)
Total Investment liabilities	**(5,298)**	**(0.16)**
Total portfolio	**2,915,969**	**95.35**
Cash equivalents	**84,043**	**2.75**
Net other assets/(liabilities)	**58,092**	**1.90**
Net assets	**3,058,104**	**100.00**

[a] Fair valued.
[b] Illiquid.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures	
	Forward currency contracts US$'000	Collateral held as cash US$'000
Citigroup Global Markets Limited	30,178	0
HSBC Bank Plc	319,378	0
JP Morgan London	593,064	5,538
Merrill Lynch Pierce Fenner + Smith Inc	31,443	0
State Street Bank and Trust Company	741,153	0
State Street Bank and Trust Company, London Branch	34,097	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Financial highlights

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-1.2	+2.2	+1.8	+4.6	19.04.12	21.09.18
Class 'A' Distribution	-1.3	+2.2	+1.8	+4.6	12.07.13	21.09.18
Class 'A-H' Accumulation	-6.6	0.0	-3.0	-0.3	10.11.14	21.09.18
Class 'A-H' Distribution	-6.6	0.0	-3.0	-0.4	10.11.14	21.09.18
Class 'B' Accumulation	-1.7	+1.7	+1.3	+4.2	26.07.13	21.09.18
Class 'B' Distribution	-1.8	+1.7	+1.3	+2.4	11.09.15	21.09.18
Class 'B-H' Accumulation	-7.1	-0.5	-3.5	-0.3	11.09.15	21.09.18
Class 'B-H' Distribution	-7.1	-0.5	-3.5	-0.3	11.09.15	21.09.18
Class 'C' Accumulation	-0.6	+2.9	+2.5	+5.2	19.04.12	21.09.18
Class 'C' Distribution	-0.7	+2.9	+2.5	+4.7	08.08.14	21.09.18
Class 'C-H' Accumulation	-6.0	+0.6	-2.4	+0.3	10.11.14	21.09.18
Class 'C-H' Distribution	-6.0	+0.6	-2.4	+0.2	10.11.14	21.09.18
Class 'CI' Accumulation	-0.6	+3.0	+2.6	+5.3	19.04.12	21.09.18
Class 'CI-H' Accumulation	-5.9	+0.7	-2.4	+0.3	10.11.14	21.09.18
Class 'CI-H' Distribution	-6.0	n/a	n/a	+0.5	n/a	16.04.20
Class 'JI-H' Distribution	-5.8	n/a	n/a	-10.5	n/a	28.01.22
Singapore dollar						
Class 'A-H' Accumulation	-4.2	n/a	n/a	-8.9	n/a	23.11.21
Class 'A-H M' Distribution	-4.2	n/a	n/a	-8.9	n/a	23.11.21
South African rand						
Class 'A-H M F1' Distribution	-1.7	n/a	n/a	-7.2	n/a	23.09.21
Class 'X-H M F1' Distribution	-2.5	n/a	n/a	-8.0	n/a	23.09.21
Sterling						
Class 'C' Accumulation	+3.3	+2.6	n/a	-1.5	n/a	27.08.19
Class 'C' Distribution	+3.3	+2.7	n/a	+1.5	n/a	22.02.19
Class 'CI' Accumulation	+3.3	+2.7	n/a	-1.4	n/a	27.08.19
Class 'CI' Distribution	+3.3	+2.7	n/a	+1.9	n/a	14.03.19
Class 'JI-H' Distribution	-4.3	n/a	n/a	-9.1	n/a	28.01.22

M&G (Lux) Emerging Markets Bond Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Swiss franc						
Class 'A' Accumulation	-4.0	+0.3	-1.5	+2.4	26.07.13	21.09.18
Class 'A-H' Accumulation	-7.0	-0.3	-3.3	-0.4	24.07.15	21.09.18
Class 'C' Accumulation	-3.4	+0.9	-0.9	+3.0	26.07.13	21.09.18
Class 'C-H' Accumulation	-6.5	+0.4	-2.7	+0.2	24.07.15	21.09.18
US dollar						
Class 'A' Accumulation	-3.2	+2.0	-0.7	+2.8	19.04.12	21.09.18
Class 'A' Distribution	-3.2	+2.0	-0.7	+1.6	08.08.14	21.09.18
Class 'A M' Distribution	-3.2	+2.0	n/a	+0.9	n/a	30.11.18
Class 'A M F' Distribution	-3.2	n/a	n/a	-4.8	n/a	19.11.20
Class 'C' Accumulation	-2.6	+2.7	0.0	+3.4	19.04.12	21.09.18
Class 'C' Distribution	-2.6	+2.7	0.0	+2.2	08.08.14	21.09.18
Class 'C M' Distribution	-2.6	+2.7	n/a	+1.6	n/a	30.11.18
Class 'CI' Accumulation	-2.6	+2.7	0.0	+3.5	19.04.12	21.09.18
Class 'JI' Distribution	-2.5	n/a	n/a	-7.6	n/a	28.01.22
Class 'X' Accumulation	-4.2	n/a	n/a	-9.1	n/a	23.11.21
Class 'X M' Distribution	-4.2	n/a	n/a	-3.0	n/a	24.06.20
Class 'X M F' Distribution	-4.2	n/a	n/a	-5.7	n/a	19.11.20
Class 'ZI' Accumulation	-2.0	+3.3	n/a	+1.2	n/a	30.01.19

[a] Sub-fund performance before the launch of the sub-fund on 17 September 2018 is that of the relevant Merged Share Class of the M&G Emerging Markets Bond Fund, which includes UK taxes but excludes entry and exit charges. The M&G Emerging Markets Bond Fund is a UK authorised sub-fund which launched on 15 October 1999 and its non-Sterling share classes merged into M&G (Lux) Emerging Markets Bond Fund on 7 December 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	9,123,094.981	11.1967	11.3377	11.5532
Class 'A' Distribution	3,387,874.144	8.5295	9.2400	9.9693
Class 'A-H' Accumulation	9,033,465.897	9.3107	9.9667	10.8689
Class 'A-H' Distribution	1,870,650.598	7.0739	8.1028	9.3707
Class 'B' Accumulation	2,422,883.472	10.9476	11.1410	11.4097
Class 'B' Distribution	784,952.754	8.3354	9.0761	9.8425
Class 'B-H' Accumulation	907,444.778	9.0940	9.7841	10.7267
Class 'B-H' Distribution	584,183.535	6.9227	7.9699	9.2518
Class 'C' Accumulation	3,866,934.016	11.5319	11.6015	11.7453
Class 'C' Distribution	1,131,578.410	8.7878	9.4569	10.1360
Class 'C-H' Accumulation	6,837,756.632	9.5754	10.1840	11.0384
Class 'C-H' Distribution	3,875,702.680	7.2967	8.3033	9.5290
Class 'CI' Accumulation	5,570,967.768	11.5557	11.6208	11.7604
Class 'CI-H' Accumulation	8,733,641.894	9.6011	10.2084	11.0585
Class 'CI-H' Distribution	4,600.000	8.4426	9.6023	11.0321
Class 'JI-H' Distribution	1,080,824.000	8.3855	9.3148	n/a
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A-H' Accumulation	2,001.000	8.8210	9.2033	n/a
Class 'A-H M' Distribution	2,000.000	8.1290	9.0525	n/a
South African rand		**ZAR**	**ZAR**	**ZAR**
Class 'A-H M F1' Distribution	7,856.087	108.3617	127.9167	n/a
Class 'X-H M F1' Distribution	2,266.735	106.7040	127.1955	n/a

M&G (Lux) Emerging Markets Bond Fund

Financial highlights

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	7,600.000	9.4744	9.1731	9.3660
Class 'C' Distribution	162,322.007	8.4997	8.8027	9.5163
Class 'CI' Accumulation	4,600.001	9.4892	9.1833	9.3734
Class 'CI' Distribution	8,954.680	8.4820	8.7815	9.4886
Class 'JI-H' Distribution	3,525,750.584	8.5406	9.3417	n/a
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A' Accumulation	54,049.213	9.9241	10.3381	11.3637
Class 'A-H' Accumulation	11,559.330	9.1854	9.8798	10.7796
Class 'C' Accumulation	4,578.123	10.2210	10.5777	11.5510
Class 'C-H' Accumulation	220,305.001	9.4624	10.1168	10.9641
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	1,949,847.802	10.3471	10.6940	11.5254
Class 'A' Distribution	555,380.588	7.8817	8.7150	9.9448
Class 'A M' Distribution	186,671.359	7.9981	8.8182	10.0691
Class 'A M F' Distribution	71,400.767	70.1502	81.0249	96.2994
Class 'C' Accumulation	18,217,816.205	10.6561	10.9430	11.7172
Class 'C' Distribution	269,029.355	8.1211	8.9201	10.1117
Class 'C M' Distribution	1,474,051.552	8.2270	9.0098	10.2198
Class 'CI' Accumulation	180,059,271.114	10.6778	10.9603	11.7312
Class 'JI' Distribution	2,844,986.000	8.7165	9.3547	n/a
Class 'X' Accumulation	1,000.000	8.7940	9.1757	n/a
Class 'X M' Distribution	91,566.287	7.8329	8.7239	10.0620
Class 'X M F' Distribution	116,970.151	68.4269	79.8943	95.9692
Class 'ZI' Accumulation	18,077,575.357	10.5279	10.7418	11.4286

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	3,058,104	3,072,997	2,673,113
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**3,058,104**	**3,072,997**	**2,673,113**

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.42
Class 'A' Distribution	1.42
Class 'A-H' Accumulation	1.44
Class 'A-H' Distribution	1.44
Class 'B' Accumulation	1.92
Class 'B' Distribution	1.92
Class 'B-H' Accumulation	1.94
Class 'B-H' Distribution	1.94
Class 'C' Accumulation	0.77
Class 'C' Distribution	0.77
Class 'C-H' Accumulation	0.79
Class 'C-H' Distribution	0.79
Class 'CI' Accumulation	0.73
Class 'CI-H' Accumulation	0.75
Class 'CI-H' Distribution	0.75
Class 'JI-H' Distribution	0.66
Singapore dollar	**%**
Class 'A-H' Accumulation	1.44
Class 'A-H M' Distribution	1.44
South African rand	**%**
Class 'A-H M F1' Distribution	1.45
Class 'X-H M F1' Distribution	2.43
Sterling	**%**
Class 'C' Accumulation	0.77
Class 'C' Distribution	0.77
Class 'CI' Accumulation	0.73
Class 'CI' Distribution	0.73
Class 'JI-H' Distribution	0.65
Swiss franc	**%**
Class 'A' Accumulation	1.42
Class 'A-H' Accumulation	1.44
Class 'C' Accumulation	0.76
Class 'C-H' Accumulation	0.78

M&G (Lux) Emerging Markets Bond Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
US dollar	**%**
Class 'A' Accumulation	1.42
Class 'A' Distribution	1.42
Class 'A M' Distribution	1.41
Class 'A M F' Distribution	1.41
Class 'C' Accumulation	0.78
Class 'C' Distribution	0.77
Class 'C M' Distribution	0.76
Class 'CI' Accumulation	0.73
Class 'JI' Distribution	0.63
Class 'X' Accumulation	2.43
Class 'X M' Distribution	2.42
Class 'X M F' Distribution	2.42
Class 'ZI' Accumulation	0.13

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

In the first half of the review period, the outlook for emerging market debt continued to worsen due to sharp rises in interest rates. Furthermore, higher food and energy prices in developing countries pushed up inflation expectations, causing a spill-over into other goods and services. A strong US dollar exacerbated the situation, resulting in a flight of capital from emerging markets.

However, emerging market bonds rebounded strongly in the fourth quarter of 2022. This strong performance continued into the new year amid optimism about the reopening Chinese economy post-COVID-19 and expectations that major central banks would end their interest-rate hiking cycle in 2023. Nonetheless, the US banking crisis in March created heightened volatility among lower-rated financial issuers.

Against this challenging backdrop, the sub-fund delivered a negative return over the period and underperformed its benchmark. The sub-fund's underperformance was driven largely by unfavourable country allocation, particularly our exposure to Ghana and Sri Lanka. Our yield curve positioning also detracted from relative performance, while security selection added significant value.

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.

Investment activities

There were no major changes to the sub-fund's positioning during the period, with hard currency bonds making up around 95% of assets. We also maintained an overweight exposure (relative to the benchmark) to the high yield market.

In hard currency sovereigns, we switched between euro and dollar-denominated bonds from Ukraine and added a new 10-year Bermuda sovereign. Elsewhere, we added longer-term bonds from South African state-owned utility company Eskom. In the autumn, following concerns over valuation, we reduced bonds from Bahrain, Bolivia, Jamaica and state-run oil and gas firm KazMunayGas, but added Kazakhstan sovereign bonds.

In October, we added off-benchmark bonds from Peru but reduced our holdings of euro-denominated Romanian bonds from overweight to neutral position. Later, we added a new 10-year dollar bond from Colombia.

In January, we were active in the primary market. We participated in new dollar issuances from higher-quality issuers Mexico, Hungary, Romania and others such as Mongolia, Turkey and Colombia. Elsewhere, we added 30-year euro bond issues from Poland and Slovakia and a new sustainable issue from the United Arab Emirates.

Towards the end of the review period, we added a new dollar issue from Costa Rica, but trimmed our positions in Turkish sovereign debt and state-owned companies Eskom (South Africa), Pemex (Mexico) and YPF (Argentina). In local-currency sovereigns, we added a Brazilian 10-year bond.

Within corporates, we added Colombian financial services firm Aval and Brazilian hospital chain Rede D'Ór. However, we sold Brazilian car rental operator Simpar over valuation concerns.

Outlook

Although 2022 was a challenging year for emerging market bonds, we believe easing inflation and a modest economic growth should provide a more supportive backdrop in 2023. We still expect emerging market fundamentals to remain robust, benefiting from the reopening of China.

In terms of hard currency markets, we favour high yield bonds over investment grade on valuation grounds. While we expect high yield default rates to rise, we believe this is likely to be concentrated in specific sectors and countries, such as the Chinese property market and Russia.

In contrast, we see much stronger fundamentals in certain regions, such as Latin America and the Middle East. We believe there is significant value to be found in emerging market high yield, though it is imperative to

Investment review

be selective and carry out detailed credit analysis to identify those opportunities.

Claudia Calich
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income					**68,287**	**96.16**
Debt securities					**68,287**	**96.16**
Albania					**419**	**0.59**
'B' credit rated bonds						
Albania (Republic of) 3.5%	463,000	€	23.11.2031		**419**	**0.59**
Angola					**1,025**	**1.44**
'B' credit rated bonds						
Angola (Republic of) 9.375%	1,304,000	US$	08.05.2048		**1,025**	**1.44**
Argentina					**1,977**	**2.78**
'C' credit rated bonds						
Argentina (Republic of) 0.125%	1,910,000	€	09.07.2030		506	0.71
Argentina (Republic of) 0.5%	1,500,000	US$	09.07.2030		432	0.61
Argentina (Republic of) 1.5%	3,253,911	US$	09.07.2035		842	1.18
Argentina (Republic of) 15.5%	105,458,000	ARS	17.10.2026		118	0.17
Argentina (Republic of) 16%	23,500,000	ARS	17.10.2023		79	0.11
Armenia					**344**	**0.48**
'B' credit rated bonds						
Armenia (Republic of) 3.6%	444,000	US$	02.02.2031		**344**	**0.48**
Azerbaijan					**965**	**1.36**
'BB' credit rated bonds						
Southern Gas Corridor 6.875%	950,000	US$	24.03.2026		**965**	**1.36**
Bahamas					**309**	**0.44**
'B' credit rated bonds						
Bahamas (Commonwealth of) 8.95%	386,000	US$	15.10.2032		**309**	**0.44**
Bahrain					**1,296**	**1.82**
'B' credit rated bonds						
Bahrain (Kingdom of) 5.625%	1,400,000	US$	30.09.2031		**1,296**	**1.82**
Barbados					**373**	**0.53**
'CCC' credit rated bonds						
Barbados (Republic of) 6.5%	400,000	US$	01.10.2029		**373**	**0.53**
Benin					**700**	**0.99**
'B' credit rated bonds						
Benin (Republic of) 4.875%	500,000	€	19.01.2032		412	0.58

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Benin (continued)						
'B' credit rated bonds (continued)						
Benin (Republic of) 6.875%	381,000	€	19.01.2052		288	0.41
Bolivia					**211**	**0.30**
'CCC' credit rated bonds						
Bolivia (Plurinational State of) 4.5%	386,000	US$	20.03.2028		**211**	**0.30**
Brazil					**1,213**	**1.71**
'BB' credit rated bonds						
Brazil (Federal Republic of) 4.75%	1,100,000	US$	14.01.2050		810	1.14
Brazil (Federal Republic of) 10%	900,000	BRL	01.01.2033		151	0.21
Globo Comunicação e Participações 5.5%	317,000	US$	14.01.2032		252	0.36
Bulgaria					**382**	**0.54**
'BBB' credit rated bonds						
Bulgaria (Republic of) 4.625%	356,000	€	23.09.2034		**382**	**0.54**
Cameroon					**648**	**0.91**
'B' credit rated bonds						
Cameroon (Republic of) 5.95%	825,000	€	07.07.2032		**648**	**0.91**
Cayman Islands					**1,221**	**1.72**
'BB' credit rated bonds						
Bioceanico Sovereign Certificate 0%	990,001	US$	05.06.2034		670	0.95
MAF Global Securities 6.375%	300,000	US$	31.12.2099		293	0.41
'CCC' credit rated bonds						
Maldives Sukuk Issuance 9.875%	250,000	US$	08.04.2026		**214**	**0.30**
'D' credit rated bonds						
Yuzhou Group Holdings 7.375%	450,000	US$	13.01.2026		**44**	**0.06**
Colombia					**2,489**	**3.50**
'BB' credit rated bonds						
Colombia (Republic of) 5.625%	1,350,000	US$	26.02.2044		1,012	1.42
Colombia (Republic of) 6.125%	500,000	US$	18.01.2041		406	0.57
Colombia (Republic of) 7.5%	341,000	US$	02.02.2034		333	0.47
Colombia (Republic of) 8%	200,000	US$	20.04.2033		204	0.29

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Colombia (continued)						
'BB' credit rated bonds (continued)						
Ecopetrol 8.875%	152,000	US$	13.01.2033		152	0.21
Empresas Publicas de Medellin 8.375%	2,272,000,000	COP	08.11.2027		382	0.54
Costa Rica					**201**	**0.28**
'B' credit rated bonds						
Costa Rica (Republic of) 6.55%	200,000	US$	03.04.2034		**201**	**0.28**
Croatia					**217**	**0.31**
'BBB' credit rated bonds						
Croatia (Republic of) 2.875%	215,000	€	22.04.2032		**217**	**0.31**
Dominican Republic					**2,213**	**3.12**
'BB' credit rated bonds						
Dominican (Republic of) 5.5%	500,000	US$	22.02.2029		470	0.66
Dominican (Republic of) 5.875%	1,667,000	US$	30.01.2060		1,268	1.79
Dominican (Republic of) 13.625%	23,000,000	DOP	03.02.2033		475	0.67
Ecuador					**971**	**1.37**
'CCC' credit rated bonds						
Ecuador (Republic of) 1.5%	1,242,508	US$	31.07.2040		367	0.52
Ecuador (Republic of) 2.5%	1,855,021	US$	31.07.2035		604	0.85
Egypt					**1,657**	**2.33**
'B' credit rated bonds						
Egypt (Republic of) 5.8%	750,000	US$	30.09.2027		529	0.74
Egypt (Republic of) 8.7002%	1,920,000	US$	01.03.2049		1,128	1.59
El Salvador					**516**	**0.73**
'CC' credit rated bonds						
El Salvador (Republic of) 9.5%	1,000,000	US$	15.07.2052		**516**	**0.73**
Gabon					**1,102**	**1.55**
'CCC' credit rated bonds						
Gabon (Republic of) 6.625%	1,440,000	US$	06.02.2031		**1,102**	**1.55**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Georgia					**279**	**0.39**
'BB' credit rated bonds						
Georgia (Republic of) 2.75%	312,000	US$	22.04.2026		**279**	**0.39**
Ghana					**298**	**0.42**
'CC' credit rated bonds						
Ghana (Republic of) 8.125%	850,000	US$	26.03.2032		**298**	**0.42**
Guatemala					**1,249**	**1.76**
'BB' credit rated bonds						
Guatemala (Republic of) 4.65%	1,525,000	US$	07.10.2041		**1,249**	**1.76**
Honduras					**799**	**1.13**
'B' credit rated bonds						
Honduras (Republic of) 6.25%	900,000	US$	19.01.2027		**799**	**1.13**
Hong Kong					**336**	**0.47**
'BBB' credit rated bonds						
Lenovo Group 3.421%	400,000	US$	02.11.2030		**336**	**0.47**
Hungary					**687**	**0.97**
'BBB' credit rated bonds						
Hungary (Republic of) 6.25%	676,000	US$	22.09.2032		**687**	**0.97**
Indonesia					**2,058**	**2.90**
'BBB' credit rated bonds						
Indonesia (Republic of) 5.65%	200,000	US$	11.01.2053		209	0.30
Perusahaan Perseroan Persero PT Perusahaan Listrik Negara 4.875%	2,270,000	US$	17.07.2049		1,849	2.60
Iraq					**324**	**0.46**
'CCC' credit rated bonds						
Iraq (Republic of) 5.8%	347,500	US$	15.01.2028		**324**	**0.46**
Ireland					**0**	**0.00**
'CCC' credit rated bonds						
GTLK Europe Capital 5.125%[a]	2,127,000	US$	31.05.2024		**0**	**0.00**
Bonds with no credit rating						
Sovcombank Via SovCom Capital FRN[a]	450,000	US$	07.04.2030		**0**	**0.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Ivory Coast					**1,172**	**1.65**
'BB' credit rated bonds						
Côte d'Ivoire (Republic of) 6.625%	966,000	€	22.03.2048		730	1.03
Côte d'Ivoire (Republic of) 6.875%	550,000	€	17.10.2040		442	0.62
Jamaica					**609**	**0.86**
'B' credit rated bonds						
Jamaica (Commonwealth of) 7.875%	520,000	US$	28.07.2045		**609**	**0.86**
Jersey					**122**	**0.17**
'B' credit rated bonds						
Oriflame Investment Holding 5.125%	200,000	US$	04.05.2026		**122**	**0.17**
Jordan					**739**	**1.04**
'B' credit rated bonds						
Jordan (Kingdom of) 7.375%	870,000	US$	10.10.2047		**739**	**1.04**
Kazakhstan					**2,396**	**3.37**
'BBB' credit rated bonds						
Development Bank of Kazakhstan 8.95%	200,000,000	KZT	04.05.2023		428	0.60
Kazakhstan (Republic of) 4.875%	750,000	US$	14.10.2044		674	0.95
Kazakhstan (Republic of) 7%	178,000,000	KZT	29.08.2023		380	0.53
KazMunayGas National 6.375%	1,100,000	US$	24.10.2048		914	1.29
Kenya					**622**	**0.88**
'B' credit rated bonds						
Kenya (Republic of) 8.25%	850,000	US$	28.02.2048		**622**	**0.88**
Lebanon					**215**	**0.30**
'D' credit rated bonds						
Lebanon (Republic of) 7.05%	3,200,000	US$	02.11.2035		**215**	**0.30**
Luxembourg					**843**	**1.19**
'BB' credit rated bonds						
Millicom International Cellular 4.5%	400,000	US$	27.04.2031		318	0.45
Rede D'Ór Finance 4.5%	475,000	US$	22.01.2030		391	0.55
'B' credit rated bonds						
Kenbourne Invest 4.7%	229,000	US$	22.01.2028		**134**	**0.19**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Macedonia					**576**	**0.81**
'BB' credit rated bonds						
Macedonia (Republic of) 3.675%	575,000	€	03.06.2026		**576**	**0.81**
Mauritius					**188**	**0.26**
'BB' credit rated bonds						
Greenko Solar Mauritius 5.95%	200,000	US$	29.07.2026		**188**	**0.26**
Mexico					**2,672**	**3.76**
'BBB' credit rated bonds						
Mexico (United Mexican States) 5.625%	600,000	£	19.03.2114		**563**	**0.79**
'BB' credit rated bonds						
Cemex 3.875%	400,000	US$	11.07.2031		329	0.46
Metalsa 3.75%	400,000	US$	04.05.2031		301	0.43
'B' credit rated bonds						
Petróleos Mexicanos 7.69%	1,850,000	US$	23.01.2050		1,285	1.81
Total Play Telecomunicaciones 6.375%	400,000	US$	20.09.2028		194	0.27
Mongolia					**1,878**	**2.64**
'B' credit rated bonds						
Mongolia (Republic of) 3.5%	420,000	US$	07.07.2027		338	0.47
Mongolia (Republic of) 4.45%	410,000	US$	07.07.2031		307	0.43
Mongolia (Republic of) 8.65%	1,250,000	US$	19.01.2028		1,233	1.74
Morocco					**825**	**1.16**
'BB' credit rated bonds						
Morocco (Kingdom of) 5.5%	953,000	US$	11.12.2042		**825**	**1.16**
Mozambique					**686**	**0.97**
'CCC' credit rated bonds						
Mozambique (Republic of) 5%	950,000	US$	15.09.2031		**686**	**0.97**
Namibia					**701**	**0.99**
'B' credit rated bonds						
Namibia (Republic of) 5.25%	735,000	US$	29.10.2025		**701**	**0.99**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Netherlands (The)					**281**	**0.40**
'BBB' credit rated bonds						
Prosus 3.257%	309,000	US$	19.01.2027		**281**	**0.40**
Nigeria					**1,357**	**1.91**
'CCC' credit rated bonds						
Nigeria (Federal Republic of) 7.875%	600,000	US$	16.02.2032		451	0.63
Nigeria (Federal Republic of) 8.747%	1,127,000	US$	21.01.2031		906	1.28
Oman					**2,100**	**2.96**
'BB' credit rated bonds						
Oman (Sultanate of) 6.5%	2,275,000	US$	08.03.2047		**2,100**	**2.96**
Pakistan					**318**	**0.45**
'CCC' credit rated bonds						
Pakistan (Republic of) 6.875%	875,000	US$	05.12.2027		**318**	**0.45**
Panama					**1,477**	**2.08**
'BBB' credit rated bonds						
Panama (Republic of) 3.362%	1,000,000	US$	30.06.2031		841	1.18
Panama (Republic of) 4.5%	840,000	US$	16.04.2050		636	0.90
Papua New Guinea					**258**	**0.36**
'B' credit rated bonds						
Papua New Guinea (Commonwealth of) 8.375%	285,000	US$	04.10.2028		**258**	**0.36**
Paraguay					**905**	**1.27**
'BB' credit rated bonds						
Paraguay (Republic of) 6.1%	940,000	US$	11.08.2044		**905**	**1.27**
Peru					**1,168**	**1.64**
'BBB' credit rated bonds						
Fondo Mivivienda 4.625%	191,000	US$	12.04.2027		182	0.26
Peru (Republic of) 2.4%	500,000	US$	28.09.2027		429	0.60
Peru (Republic of) 5.4%	2,500,000	PEN	12.08.2034		557	0.78
Poland					**718**	**1.01**
'A' credit rated bonds						
Bank Gospodarstwa Krajowego 3%	400,000	€	30.05.2029		398	0.56

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Poland (continued)						
'A' credit rated bonds (continued)						
Poland (Republic of) 4.25%	303,000	€	14.02.2043		320	0.45
Qatar					**1,435**	**2.02**
'AA' credit rated bonds						
Qatar (State of) 5.103%	461,000	US$	23.04.2048		470	0.66
Qatar Petroleum 3.125%	1,233,000	US$	12.07.2041		965	1.36
Romania					**771**	**1.09**
'BBB' credit rated bonds						
Romania (Republic of) 7.125%	730,000	US$	17.01.2033		**771**	**1.09**
Russia					**514**	**0.72**
'CCC' credit rated bonds						
Russia (Federation of) 5.25%[b]	1,200,000	US$	23.06.2047		**514**	**0.72**
Rwanda					**448**	**0.63**
'B' credit rated bonds						
Rwanda (Republic of) 5.5%	620,000	US$	09.08.2031		**448**	**0.63**
Saudi Arabia					**994**	**1.40**
'A' credit rated bonds						
Saudi (Kingdom of) 3.45%	1,400,000	US$	02.02.2061		**994**	**1.40**
Senegal					**709**	**1.00**
'B' credit rated bonds						
Senegal (Republic of) 6.75%	1,020,000	US$	13.03.2048		**709**	**1.00**
Serbia					**556**	**0.78**
'BB' credit rated bonds						
Serbia (Republic of) 2.05%	843,000	€	23.09.2036		**556**	**0.78**
Singapore					**384**	**0.54**
'A' credit rated bonds						
BOC Aviation 3.875%	400,000	US$	27.04.2026		**384**	**0.54**
South Africa					**2,239**	**3.15**
'BB' credit rated bonds						
Bidvest Group 3.625%	490,000	US$	23.09.2026		444	0.62

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
South Africa (continued)						
'BB' credit rated bonds (continued)						
South Africa (Republic of) 5.375%	1,426,000	US$	24.07.2044		1,057	1.49
'CCC' credit rated bonds						
Eskom Holdings 7.125%	750,000	US$	11.02.2025		**738**	**1.04**
Sri Lanka					**714**	**1.01**
'D' credit rated bonds						
Sri Lanka (Republic of) 7.85%	2,000,000	US$	14.03.2029		**714**	**1.01**
Tajikistan					**621**	**0.87**
'B' credit rated bonds						
Tajikistan (Republic of) 7.125%	800,000	US$	14.09.2027		**621**	**0.87**
Trinidad And Tobago					**523**	**0.74**
'BB' credit rated bonds						
Heritage Petroleum 9%	500,000	US$	12.08.2029		**523**	**0.74**
Tunisia					**316**	**0.44**
'CCC' credit rated bonds						
Tunisia (Republic of) 5.75%	550,000	US$	30.01.2025		**316**	**0.44**
Turkey					**1,727**	**2.43**
'B' credit rated bonds						
Aydem Yenilenebilir Enerji 7.75%	300,000	US$	02.02.2027		255	0.36
Turkey (Republic of) 5.25%	1,150,000	US$	13.03.2030		951	1.34
Turkey (Republic of) 9.375%	512,000	US$	19.01.2033		521	0.73
United Kingdom					**509**	**0.72**
'BB' credit rated bonds						
MARB BondCo 3.95%	200,000	US$	29.01.2031		**153**	**0.22**
'C' credit rated bonds						
NAK Naftogaz Ukraine Via Kondor Finance 7.625%	1,800,000	US$	08.11.2026		**356**	**0.50**
Ukraine					**228**	**0.32**
'C' credit rated bonds						
Ukraine (Republic of) 7.375%	1,300,000	US$	25.09.2034		**228**	**0.32**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
United Arab Emirates					**1,428**	**2.01**
'BB' credit rated bonds						
Sharjah (Emirate of) 6.5%	508,000	US$	23.11.2032		**517**	**0.73**
Bonds with no credit rating						
Dubai (Emirate of) 3.9%	1,252,000	US$	09.09.2050		**911**	**1.28**
Uruguay					**255**	**0.36**
'BBB' credit rated bonds						
Uruguay (Republic of) 5.75%	233,333	US$	28.10.2034		**255**	**0.36**
United States					**2,116**	**2.98**
'AA' credit rated bonds						
US Treasury Note 2.75%	1,830,000	US$	31.07.2023		1,818	2.56
US Treasury Note 2.875%	300,000	US$	30.09.2023		298	0.42
Uzbekistan					**681**	**0.96**
'BB' credit rated bonds						
Uzbekistan (Republic of) 3.9%	848,000	US$	19.10.2031		**681**	**0.96**
Venezuela					**637**	**0.90**
'D' credit rated bonds						
Petróleos de Venezuela 6%	6,000,000	US$	15.11.2026		**280**	**0.40**
Bonds with no credit rating						
Venezuela (Republic of) 9.25%	3,200,000	US$	07.05.2028		**357**	**0.50**
Vietnam					**889**	**1.25**
Bonds with no credit rating						
Viet Nam Debt & Asset Trading 1%	1,050,000	US$	10.10.2025		**889**	**1.25**
Zambia					**288**	**0.41**
'D' credit rated bonds						
Zambia (Republic of) 8.97%	650,000	US$	30.07.2027		**288**	**0.41**
Currency					**(138)**	**(0.19)**
Forward currency contracts					**(138)**	**(0.19)**
Bought for US$ 6,111,822.64, Sold for € 5,692,838.81			01.06.2023		(97)	(0.13)

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Currency (continued)						
Forward currency contracts (continued)						
Bought for US$ 1,539,016.42, Sold for £ 1,275,000.00			01.06.2023		(41)	(0.06)
Portfolio of investments					**68,149**	**95.97**
Share class hedging					**305**	**0.43**
Bought for CHF 73,741.84, Sold for US$ 81,322.60			19.04.2023		0	0.00
Bought for € 20,142,470.50, Sold for US$ 21,596,420.06			19.04.2023		318	0.45
Bought for US$ 2,078.39, Sold for CHF 1,917.59			19.04.2023		0	0.00
Bought for US$ 831,470.47, Sold for € 774,800.84			19.04.2023		(13)	(0.02)
Total portfolio					**68,454**	**96.40**
Net other assets/(liabilities)					2,556	3.60
Net assets					**71,010**	**100.00**

Portfolio summary		
Investment assets		
Debt securities	68,287	96.16
Unrealised gains on forward currency contracts	318	0.45
Total Investment assets	**68,605**	**96.61**
Investment liabilities		
Unrealised losses on forward currency contracts	(151)	(0.21)
Total Investment liabilities	**(151)**	**(0.21)**
Total portfolio	**68,454**	**96.40**
Net other assets/(liabilities)	**2,556**	**3.60**
Net assets	**71,010**	**100.00**

[a] Fair valued.
[b] Illiquid.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts US$'000
JP Morgan London	12,300
State Street Bank and Trust Company	45,332
State Street Bank and Trust Company, London Branch	3,117

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-7.6	+0.6	+0.8	-0.3	22.05.17
Class 'A' Distribution	-7.6	+0.7	+0.8	-0.3	22.05.17
Class 'A-H' Accumulation	-12.7	-1.6	-4.0	-3.3	22.05.17
Class 'A-H' Distribution	-12.8	-1.6	-4.0	-3.3	22.05.17
Class 'C' Accumulation	-6.8	+1.5	+1.7	+0.6	22.05.17
Class 'C' Distribution	-6.8	+1.6	+1.8	+0.6	22.05.17
Class 'C-H' Accumulation	-12.0	-0.8	-3.2	-2.4	22.05.17
Class 'C-H' Distribution	-12.0	-0.8	-3.2	-2.4	22.05.17
Class 'CI' Accumulation	-6.7	+1.6	n/a	-2.2	15.07.19
Class 'CI-H' Accumulation	-11.9	-0.7	n/a	-3.6	22.02.19
Class 'LI' Accumulation	-6.5	+1.8	n/a	+1.5	27.09.18
Sterling					
Class 'C' Accumulation	-3.1	+1.3	+1.8	+0.9	22.05.17
Class 'C' Distribution	-3.1	+1.3	+1.8	+0.9	22.05.17
Swiss franc					
Class 'A-H' Accumulation	-13.2	-1.9	-4.3	-3.5	22.05.17
Class 'A-H' Distribution	-13.3	-1.9	-4.3	-3.6	22.05.17
Class 'C-H' Accumulation	-12.4	-1.0	-3.4	-2.7	22.05.17
Class 'C-H' Distribution	-12.5	-1.0	-3.4	-2.7	22.05.17
US dollar					
Class 'A' Accumulation	-9.5	+0.4	-1.7	-0.9	22.05.17
Class 'A' Distribution	-9.5	+0.4	-1.7	-0.9	22.05.17
Class 'C' Accumulation	-8.6	+1.3	-0.8	0.0	22.05.17
Class 'C' Distribution	-8.7	+1.3	-0.8	0.0	22.05.17
Class 'CI' Accumulation	-8.6	+1.3	-0.7	+0.1	22.05.17

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	54,746.433	9.8044	10.6131	10.8987
Class 'A' Distribution	11,016.016	7.0683	8.1111	8.8510
Class 'A-H' Accumulation	13,796.507	8.2286	9.4288	10.3649
Class 'A-H' Distribution	37,210.031	5.9333	7.2096	8.4207
Class 'C' Accumulation	205,229.755	10.3356	11.0882	11.2847
Class 'C' Distribution	1,000.000	7.4471	8.4669	9.1558
Class 'C-H' Accumulation	1,356,856.476	8.6722	9.8509	10.7316
Class 'C-H' Distribution	939,574.053	6.2516	7.5268	8.7130
Class 'CI' Accumulation	4,600.000	9.2176	9.8848	10.0556
Class 'CI-H' Accumulation	176,222.282	8.6087	9.7762	10.6439
Class 'LI' Accumulation	163,539.868	10.6838	11.4281	11.5969
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	1,000.000	10.5195	10.8579	11.1418
Class 'C' Distribution	1,000.000	7.5830	8.2992	9.0503
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,520.000	8.0950	9.3268	10.2562
Class 'A-H' Distribution	2,525.000	5.8386	7.1348	8.3325
Class 'C-H' Accumulation	2,530.000	8.5361	9.7451	10.6172
Class 'C-H' Distribution	2,535.000	6.1565	7.4539	8.6280
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	109,021.071	9.4941	10.4900	11.3932
Class 'A' Distribution	22,095.514	6.8437	8.0144	9.2499
Class 'C' Accumulation	32,850.587	10.0082	10.9539	11.7903
Class 'C' Distribution	3,462,722.000	7.2161	8.3752	9.5787
Class 'CI' Accumulation	1,823,624.000	10.0297	10.9780	11.8117

Financial highlights

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	71,010	158,011	203,549
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**71,010**	**158,011**	**203,549**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.70
Class 'A' Distribution	1.70
Class 'A-H' Accumulation	1.71
Class 'A-H' Distribution	1.72
Class 'C' Accumulation	0.80
Class 'C' Distribution	0.79
Class 'C-H' Accumulation	0.82
Class 'C-H' Distribution	0.82
Class 'CI' Accumulation	0.76
Class 'CI-H' Accumulation	0.78
Class 'LI' Accumulation	0.51
Sterling	**%**
Class 'C' Accumulation	0.80
Class 'C' Distribution	0.80
Swiss franc	**%**
Class 'A-H' Accumulation	1.72
Class 'A-H' Distribution	1.72
Class 'C-H' Accumulation	0.82
Class 'C-H' Distribution	0.82
US dollar	**%**
Class 'A' Accumulation	1.70
Class 'A' Distribution	1.69
Class 'C' Accumulation	0.80
Class 'C' Distribution	0.80
Class 'CI' Accumulation	0.76

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the period ended 6 May 2022

Performance review

Between 1 April 2022 and 6 May 2022, when it merged into the M&G (Lux) Income Allocation Fund, the sub-fund delivered a negative total return (the combination of income and capital growth) across all its share classes.

Both equities and bonds fell in most markets over the review period, reflecting the challenges that a rising interest rate environment can have for investors. Inflation data around the world continued to suggest a need for higher interest rates, and this was reflected in the language of both the US Federal Reserve and the European Central Bank. Within emerging stockmarkets, China and Brazil registered notable declines.

Against this backdrop, the allocation to equities (company shares) was the main driver of the sub-fund's negative return, although falls in the value of corporate bonds also hurt performance.

Within equities, several of the sub-fund's financial holdings detracted from performance as concerns about the economic outlook increased. Singapore's DBS, Brazilian lender Banco Bradesco, South Korea's Samsung Fire and Marine and Hana Financial, China's Ping An Insurance and Absa from South Africa were all notable detractors. Macroeconomic worries weighed on South Korean technology firm Samsung Electronics too and the sub-fund's holding in South African mining firm Sibanye-Stillwater also fell.

There were some bright spots, however, and equity holdings in Turkey's conglomerate Haci Omer Sabanci and Brazilian electricity utility company Eletrobras aided performance.

Among corporate bonds, holdings in Cemex Mexico, EIG Pearl, Petroleos Mexicanos and Oriflame cost some performance.

Investment activity

The composition of the portfolio reflects where the sub-fund manager sees the most attractive opportunities at any particular time. As at 1 April 2022, the sub-fund held about two-fifths in equities, a quarter in corporate bonds and the rest in cash and corporate bonds. Ahead of the merger with the M&G (Lux) Income Allocation Fund, these holdings were sold and held as cash.

Outlook

The sub-fund merged into the M&G (Lux) Income Allocation Fund on 6 May 2022.

Michael Bourke and Charles de Quinsonas
Co-sub-fund managers

Investment review information as at 31 March 2023.

Employees of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class up to merger date 6 May 2022

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A-H' Accumulation[a]	-5.0	+12.8	-1.1	+0.7	22.05.17
Class 'A-H' Distribution[a]	-5.1	+12.9	-1.2	+0.7	22.05.17
US dollar					
Class 'A' Accumulation[a]	-4.7	+14.5	+1.1	+3.1	22.05.17
Class 'A' Distribution[a]	-4.7	+14.5	+1.2	+3.1	22.05.17
Class 'A M' Distribution[a]	-4.7	+14.6	+1.2	+3.1	22.05.17
Class 'CI' Accumulation[b]	-4.3	+15.9	+2.2	+4.1	22.05.17

[a] Returns are up to 6 May 2022 the close date of the share class.
[b] Returns are up to 3 May 2022 the close date of the share class.

Financial highlights

Shares in issue and Net Asset Values (NAV)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue and Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share).

Shares in issue and Net Asset Values

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A-H' Accumulation	n/a	n/a	10.8921	11.2781
Class 'A-H' Distribution	n/a	n/a	8.5556	9.3542
Class 'C-H' Accumulation	n/a	n/a	n/a	11.6724
Class 'C-H' Distribution	n/a	n/a	n/a	9.6945
Sterling		**£**	**£**	**£**
Class 'C-H' Accumulation	n/a	n/a	n/a	11.9632
Class 'C-H' Distribution	n/a	n/a	n/a	9.9249
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	n/a	n/a	n/a	11.1933
Class 'A-H' Distribution	n/a	n/a	n/a	9.2980
Class 'C-H' Accumulation	n/a	n/a	n/a	11.5772
Class 'C-H' Distribution	n/a	n/a	n/a	9.6232
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	n/a	n/a	12.1850	12.4442
Class 'A' Distribution	n/a	n/a	9.5784	10.3372
Class 'A M' Distribution	n/a	n/a	9.4917	10.2505
Class 'C' Accumulation	n/a	n/a	n/a	12.8927
Class 'C' Distribution	n/a	n/a	n/a	10.7074
Class 'C M' Distribution	n/a	n/a	n/a	10.6139
Class 'CI' Accumulation	n/a	n/a	12.7548	12.9043

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	n/a	18,828	19,787
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**n/a**	**18,828**	**19,787**

Investment review

For the year ended 31 March 2023

Performance review

The period under review was characterised by correlated weakness in global stock ('equity') and bond markets, albeit with a notable recovery since October 2022. Over the period as a whole, a key driver of markets was the waxing and waning of interest rate expectations in the face of inflationary pressures.

The sub-fund delivered a positive return in this environment, with contributions in the first six months coming primarily from short exposures to US government bonds ('Treasuries') and US equity markets. Currency returns were also positive over the period as a whole.

In the second half of the period, positive returns came from the decision to open long exposure to US Treasuries and add to long positions in global equities following the episode in September and October 2022. We call 'episodes' phases of excess volatility in markets, which create opportunities for the strategy to buy into panic or sell into complacency.

Over the period under review, the single largest sources of gain were short positions in US Treasuries and the US equity markets, as well as short exposure to the euro and sterling versus a basket of high carry currencies. (High carry currencies are those that offer relatively higher returns because interest rates in the countries that issue them are higher. 'Carry' is often used in the markets to describe an investment strategy seeking to take advantage of both the exchange rate and the interest rate differentials between currencies.) The largest detractors were long positions in the equity markets of Brazil, Korea, and the US banking sector and in the South African rand.

Investment activity

The sub-fund began the period with short exposure to the government bonds of the US and Germany, alongside short exposure to the US equity market, long exposure to diversified equity markets from around the world, and a preference for emerging versus developed market currencies.

Following some rapid increases in yield in April, short government bond positions and US equity positions were briefly removed, before being reintroduced in late May.

In June and July optimistic hopes for a 'pivot' to easier policy from central banks resulted in gains from bonds and US equity markets. This drove a negative portfolio return in July, but ultimately created the opportunity to increase exposure to these themes by August.

This change helped drive strong return between August and September. As the market shifted from what the manager had seen as complacent sentiment to an increasingly negative stance, the sub-fund removed all positions (moving to 100% cash) at the end of September.

Phases of holding no positions in the portfolio are rare in the life of our strategy, and frequently short-lived. This proved to be the case in 2022, as increasingly negative sentiment and the more attractive valuations prompted us to engage with equities and Treasuries on the long side, as well as opening a rebalanced currency basket (with the notable additions of the Hungarian forint and Polish zloty) at the end of October.

Since October there has been a strong recovery in many assets, and a reduction in capital exposed to major themes as a result. Most notably, long exposures were reduced significantly in November, and a short US equity position reintroduced in February. The sub-fund ended the period with modest net short exposure to equity markets, a small long position in US long-dated Treasuries, and exposure to the currency carry theme.

Outlook

The environment is one in which market participants acknowledge a wide range of possible outcomes. Plausible arguments can be made for inflation and policy to remain more stubborn, or for inflation to drop. Similarly, one can make a positive case for assets considered riskier – such as equity – based on the potential for easing pressure on interest rates and the reopening of the Chinese economy, or have a far more bearish disposition, driven by the type of systemic challenge of which the collapse of Silicon Valley Bank is

Investment review

merely a symptom, and the lagged impact of interest rake hikes already implemented.

Given prevailing valuations, the rewards on offer to betting on any one of these scenarios seem limited. Rather, the episode approach is to wait for market overconfidence in any one outcome. The sub-fund is therefore patiently positioned at present, awaiting the next bout of episodic volatility to provide a tactical opportunity.

David Fishwick
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**8,291**	**1.91**
Banks					**4,256**	**0.98**
Bank of America	28,048	US$			797	0.18
Citigroup	20,171	US$			930	0.21
JPMorgan Chase	7,179	US$			925	0.21
PNC Financial Services Group	6,329	US$			803	0.19
Wells Fargo	21,428	US$			801	0.19
Investment banking & brokerage services						
Equity portfolios (as part of the above industry group)						
iShares MSCI Brazil UCITS ETF	224,826	£			**4,997**	**1.15**
Equity derivatives					**(962)**	**(0.22)**
Equity index futures					**(962)**	**(0.22)**
Hang Seng China Enterprises Index Futures	112	HK$	27.04.2023	4,972	232	0.05
Korean Stock Exchange Futures	81	KRW	08.06.2023	5,009	24	0.01
Topix Index Futures	34	¥	08.06.2023	5,109	(47)	(0.01)
DAX Index Futures	13	€	16.06.2023	5,507	192	0.04
FTSE 100 Index Futures	55	£	16.06.2023	5,198	(57)	(0.01)
S&P MINI 500 Futures	(198)	US$	16.06.2023	40,682	(1,306)	(0.30)
Fixed income					**397,207**	**91.60**
Debt securities					**395,594**	**91.23**
Bonds with no credit rating					**395,594**	**91.23**
Germany (Federal Republic of) 0%	23,457,000	€	21.06.2023		25,352	5.85
Germany (Federal Republic of) 0%	23,518,000	€	19.07.2023		25,366	5.85
Germany (Federal Republic of) 0%	35,016,000	€	20.09.2023		37,561	8.66
US Treasury Bill 0%	18,654,000	US$	06.04.2023		18,640	4.30
US Treasury Bill 0%	30,691,500	US$	13.04.2023		30,642	7.07
US Treasury Bill 0%	27,590,700	US$	20.04.2023		27,522	6.35
US Treasury Bill 0%	30,735,000	US$	18.05.2023		30,552	7.04
US Treasury Bill 0%	39,066,900	US$	25.05.2023		38,812	8.95
US Treasury Bill 0%	40,835,800	US$	15.06.2023		40,440	9.33
US Treasury Bill 0%	34,096,000	US$	22.06.2023		33,733	7.78
US Treasury Bill 0%	17,570,000	US$	13.07.2023		17,337	4.00
US Treasury Bill 0%	17,558,000	US$	20.07.2023		17,310	3.99

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Bonds with no credit rating (continued)						
US Treasury Bill 0%	11,510,700	US$	03.08.2023		11,327	2.61
US Treasury Bill 0%	41,745,700	US$	17.08.2023		41,000	9.45
Debt derivatives						
Interest rate futures						
US Ultra Bond Futures	352	US$	21.06.2023	326	**1,613**	**0.37**
Currency					**1,584**	**0.37**
Forward currency contracts					**1,584**	**0.37**
Bought for BRL 55,196,392.18, Sold for US$ 10,589,801.62			27.04.2023		203	0.05
Bought for INR 859,565,110.27, Sold for US$ 10,464,220.84			27.04.2023		(23)	(0.01)
Bought for £ 702,626.92, Sold for US$ 862,591.74			28.04.2023		7	0.00
Bought for HUF 3,810,030,500.00, Sold for US$ 10,404,802.28			28.04.2023		401	0.09
Bought for MXN 179,540,734.48, Sold for US$ 9,388,241.71			28.04.2023		508	0.12
Bought for PLN 43,485,533.33, Sold for US$ 9,978,758.44			28.04.2023		110	0.03
Bought for TRY 203,868,757.62, Sold for US$ 10,286,601.62			28.04.2023		(3)	0.00
Bought for US$ 12,530,776.86, Sold for CHF 11,404,337.95			28.04.2023		69	0.02
Bought for US$ 102,381,688.11, Sold for € 94,565,101.78			28.04.2023		(554)	(0.13)
Bought for US$ 872,402.66, Sold for £ 702,626.92			28.04.2023		3	0.00
Bought for US$ 13,474,521.06, Sold for ¥ 1,731,505,053.00			28.04.2023		442	0.10
Bought for US$ 12,454,761.75, Sold for THB 404,132,109.13			28.04.2023		606	0.14
Bought for US$ 10,380,282.97, Sold for TRY 203,868,757.62			28.04.2023		97	0.02
Bought for TRY 203,868,757.62, Sold for US$ 9,473,455.28			27.06.2023		(282)	(0.06)
Portfolio of investments					**407,082**	**93.88**
Share class hedging					**6,480**	**1.50**
Bought for CHF 5,947,210.00, Sold for US$ 6,558,915.85			19.04.2023		(66)	(0.02)
Bought for € 233,234,227.61, Sold for US$ 250,037,517.50			19.04.2023		3,709	0.86
Bought for £ 108,320,317.94, Sold for US$ 131,143,181.21			19.04.2023		2,949	0.68
Bought for ¥ 4,576,841.00, Sold for US$ 34,683.84			19.04.2023		0	0.00

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Share class hedging (continued)						
Bought for US$ 9,310,227.11, Sold for € 8,654,528.23			19.04.2023		(103)	(0.02)
Bought for US$ 449,458.04, Sold for £ 370,611.32			19.04.2023		(9)	0.00
Total portfolio					**413,562**	**95.38**
Net other assets/(liabilities)					20,074	4.62
Net assets					**433,636**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	4,256	0.98
Equity portfolios	4,997	1.15
Debt securities	395,594	91.23
Unrealised gains on futures contracts	2,061	0.47
Unrealised gains on forward currency contracts	9,104	2.11
Total Investment assets	**416,012**	**95.94**
Investment liabilities		
Unrealised losses on futures contracts	(1,410)	(0.32)
Unrealised losses on forward currency contracts	(1,040)	(0.24)
Total Investment liabilities	**(2,450)**	**(0.56)**
Total portfolio	**413,562**	**95.38**
Net other assets/(liabilities)	**20,074**	**4.62**
Net assets	**433,636**	**100.00**

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures		
	Forward currency contracts US$'000	Futures US$'000	Collateral held as cash US$'000
Bank of America Merrill Lynch	0	66,803	0
BNP Paribas	99,580	0	0
HSBC Bank Plc	91,295	0	0
JP Morgan London	90,369	0	0
Merrill Lynch Pierce Fenner + Smith Inc	103,652	0	600
Standard Chartered Bank	2,008	0	0
State Street Bank and Trust Company	801,506	0	2,165
UBS AG London	62,521	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'B-H' Accumulation	+10.1	+8.4	+3.5	+3.4	19.04.12	26.10.18
Class 'S-H' Accumulation	+10.6	+9.0	+4.0	+3.8	03.06.10	26.10.18
Class 'SI-H' Accumulation	+10.7	n/a	n/a	+7.4	n/a	14.07.20
Class 'T-H' Accumulation	+9.4	+8.2	+4.0	+3.7	03.06.10	26.10.18
Class 'TI-H' Accumulation	+9.5	+9.1	+4.5	+3.9	03.06.10	06.11.18
Japanese yen						
Class 'TI-H' Accumulation	n/a	n/a	n/a	+0.1	n/a	22.02.23
Sterling						
Class 'S-H' Accumulation	+12.7	n/a	n/a	+8.6	n/a	14.07.20
Class 'SI-H' Accumulation	+12.7	n/a	n/a	+8.6	n/a	14.07.20
Class 'T-H' Accumulation	+11.4	+10.1	n/a	+6.9	n/a	22.02.19
Class 'TI-H' Accumulation	+11.3	+10.2	n/a	+8.0	n/a	17.12.18

M&G (Lux) Episode Macro Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Swiss Franc						
Class 'S-H' Accumulation	+10.0	+8.6	+3.7	+5.0	28.09.12	26.10.18
Class 'T-H' Accumulation	+8.9	+8.7	+4.2	+5.6	28.09.12	26.10.18
US dollar						
Class 'S' Accumulation	+13.4	+10.7	+6.2	+5.1	03.06.10	26.10.18
Class 'T' Accumulation	+12.1	+10.7	+6.6	+5.7	03.06.10	26.10.18
Class 'TI' Accumulation	+12.1	+10.7	+6.7	+5.7	03.06.10	06.11.18

[a] Sub-fund performance before the launch of the sub-fund on 26 October 2018 is that of the relevant Merged Share Class of the M&G Episode Macro Fund, which includes UK taxes but excludes entry and exit charges. The M&G Episode Macro Fund is a UK authorised sub-fund which launched on 3 June 2010 and its non-Sterling share classes merged into M&G (Lux) Episode Macro Fund on 26 October 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'B-H' Accumulation	2,423,752.011	14.3963	13.0795	12.3120
Class 'S-H' Accumulation	3,491,185.135	16.2077	14.6512	13.7296
Class 'SI-H' Accumulation	7,378,534.413	12.1456	10.9691	10.2663
Class 'T-H' Accumulation	2,013,182.939	15.8409	14.4823	13.7032
Class 'TI-H' Accumulation	1,034,569.578	12.8566	11.7425	10.9710
Japanese yen		**¥**	**¥**	**¥**
Class 'TI-H' Accumulation	4,600.000	1,002.0573	n/a	n/a
Sterling		**£**	**£**	**£**
Class 'S-H' Accumulation	312,937.590	12.4913	11.0867	10.3115
Class 'SI-H' Accumulation	7,119,417.597	12.5103	11.0999	10.3146
Class 'T-H' Accumulation	83,503.846	13.1654	11.8207	10.9929
Class 'TI-H' Accumulation	1,001,301.873	13.9062	12.4967	11.6006
Swiss Franc		**CHF**	**CHF**	**CHF**
Class 'S-H' Accumulation	13,828.029	16.6209	15.1129	14.1835
Class 'T-H' Accumulation	330,260.413	17.6505	16.2128	15.1924
US dollar		**US$**	**US$**	**US$**
Class 'S' Accumulation	1,036,922.410	19.0319	16.7770	15.5651
Class 'T' Accumulation	661,932.635	20.2776	18.0905	16.7698
Class 'TI' Accumulation	1,015,476.787	13.9863	12.4732	11.5673

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	433,636	342,703	363,636
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**433,636**	**342,703**	**363,636**

M&G (Lux) Episode Macro Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'B-H' Accumulation	2.51
Class 'S-H' Accumulation	1.99
Class 'SI-H' Accumulation	1.96
Class 'T-H' Accumulation	3.10
Class 'TI-H' Accumulation	2.38
Japanese yen	**%**
Class 'TI-H' Accumulation	1.47
Sterling	**%**
Class 'S-H' Accumulation	2.00
Class 'SI-H' Accumulation	1.96
Class 'T-H' Accumulation	3.07
Class 'TI-H' Accumulation	3.11
Swiss Franc	**%**
Class 'S-H' Accumulation	2.01
Class 'T-H' Accumulation	2.90
US dollar	**%**
Class 'S' Accumulation	1.99
Class 'T' Accumulation	3.00
Class 'TI' Accumulation	3.00

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review proved volatile for fixed income markets in Europe and beyond, with the majority posting negative returns. The ongoing war in Ukraine exacerbated high food and energy prices, and central banks repeatedly hiked interest rates in efforts to curb inflation.

High interest rates make the fixed payments offered by bonds look less competitive. This causes bond yields to rise and their prices to fall. The impact is greater for long-dated bonds, and government bonds with maturity dates of 15 years or more were particularly weak.

Markets rallied early in 2023 in anticipation that interest rates may be nearing a peak, with China's post-COVID-19 reopening also raising hopes of a return to growth. However, central banks soon turned more hawkish, dampening sentiment, and the collapse of Silicon Valley Bank in the US and the UBS acquisition of Credit Suisse in Europe in March brought turmoil to the banking sector.

Over the review period, the sub-fund primarily held investment grade corporate bonds (86% of the sub-fund at the end of the period), which outperformed government bonds (2.5% of the sub-fund). While European (ex UK) corporate bonds (which comprised over half of the portfolio) were weaker than their US counterparts over the period, these broadly outperformed the UK market, where fears of a prolonged recession persisted. High yield corporate bonds brought greater returns than their investment grade counterparts, but we slightly reduced exposure to these due to the higher risk of default.

Banks, which typically perform well in a high-interest environment, make up a significant proportion of the sub-fund's investments, followed by utilities: the largest individual issuers are French banks Crédit Agricole, BPCE and Banque Federative du Crédit Mutuel. The allocation to real estate detracted. The average credit rating of bonds held by the sub-fund was A- at the end of the period.

The sub-fund delivered negative returns across all share classes for the period under review and underperformed the ICE BoAML Euro Corporate Index. 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.

Investment activities

The sub-fund follows a dynamic, diversified investment approach, considering macroeconomic, asset, sector, geographic and stock-level factors. From 15 February 2023, the sub-fund's objective, investment policy and strategy were updated to introduce a set of environmental, social and governance (ESG) exclusions.

We continue to monitor and adjust the sub-fund's duration (a measure of its sensitivity to interest rates): at the end of the period, the sub-fund's duration was marginally shorter than the benchmark, therefore slightly less sensitive.

We remained defensive on credit risk, seeking out value and selecting bonds from reputable companies at low risk of default. We added mainly banks (including BNP, Deutsche Bank, Swedbank, Lloyds and Morgan Stanley), utilities (EDF and E.ON) and insurers (Hannover Re and MetLife). Consistent with the sub-fund's ESG commitments, in March, we purchased a new green bond from Australian broadband provider NBN. We sold some telecommunications (Orange and Vodafone) and trimmed exposure to autos over the period. We also sold some Credit Suisse senior bonds following the UBS takeover announcement.

Outlook

Looking ahead, we believe expectations around inflation and recession risk will drive market performance. March's banking sector worries seem to be easing and inflation is currently heading in the right direction, which is positive for bonds. However, recession is still possible given that core prices – and central bank rates – remain elevated. In this uncertain environment, we will maintain a balanced and diversified approach, continuing to focus on investment grade bonds where we see good value and solid yields.

M&G (Lux) Euro Corporate Bond Fund

Investment review

Stefan Isaacs and Gareth Jandrell
Co-sub-fund managers

Investment review information as at 31 March 2023.

Employees of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 15 February 2023, the sub-fund was 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. From 16 February 2023, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income					**164,226**	**95.11**
Debt securities					**164,739**	**95.41**
'AAA' credit rated bonds					**13,176**	**7.63**
Avoca CLO XXV FRN	1,535,000	€	15.10.2034		1,485	0.86
Bundesrepublik Deutschland Bundesanleihe 0%	550,000	€	15.05.2035		412	0.24
Cairn CLO XIV FRN	1,800,000	€	29.10.2034		1,741	1.01
CIFC European Funding CLO V FRN	2,000,000	€	23.11.2034		1,929	1.12
Germany (Federal Republic of) 0%	2,100,000	€	15.05.2036		1,530	0.88
Germany (Federal Republic of) 0.25%	1,513,565	€	15.02.2027		1,394	0.81
Germany (Federal Republic of) 5.5%	170,000	€	04.01.2031		208	0.12
Lloyds Bank 0.125%	686,000	€	18.06.2026		618	0.36
Lloyds Bank 4.875%	422,000	£	30.03.2027		485	0.28
Microsoft 3.5%	1,336,000	US$	12.02.2035		1,161	0.67
Royal Bank of Canada 0.01%	1,000,000	€	27.01.2031		771	0.45
Temasek Financial I 0.5%	1,238,000	€	20.11.2031		959	0.55
Wellcome Trust 1.125%	524,000	€	21.01.2027		483	0.28
'AA' credit rated bonds					**9,914**	**5.74**
Deutsche Bahn Finance 0.375%	850,000	€	23.06.2029		715	0.41
Deutsche Bahn Finance 1.375%	898,000	€	03.03.2034		721	0.42
Deutsche Bahn Finance 3.625%	323,000	€	18.12.2037		322	0.19
Euroclear Bank 0.125%	868,000	€	07.07.2025		808	0.47
France (Republic of) 1.25%	860,000	€	25.05.2036		690	0.40
Metropolitan Life Global Funding I 0.375%	1,494,000	€	09.04.2024		1,444	0.84
Metropolitan Life Global Funding I 2.95%	254,000	US$	09.04.2030		206	0.12
Metropolitan Life Global Funding I 3.75%	876,000	€	05.12.2030		864	0.50
New York Life Global Funding 0.25%	778,000	€	23.01.2027		677	0.39
New York Life Global Funding 3.625%	734,000	€	09.01.2030		716	0.41
Roche Finance Europe 0.875%	865,000	€	25.02.2025		832	0.48
Svenska Handelsbanken 0.05%	780,000	€	06.09.2028		639	0.37
Walmart 4.875%	1,180,000	€	21.09.2029		1,280	0.74
'A' credit rated bonds					**51,929**	**30.08**
Allianz FRN	1,400,000	€	31.12.2099		1,368	0.79
AstraZeneca 3.75%	462,000	€	03.03.2032		470	0.27

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Banco Santander 3.875%	1,200,000	€	16.01.2028		1,200	0.70
Bank of America FRN	2,270,000	€	24.08.2028		1,934	1.12
Banque Fédérative du Crédit Mutuel 0.625%	1,500,000	€	03.11.2028		1,233	0.71
Banque Fédérative du Crédit Mutuel 3.125%	700,000	€	14.09.2027		682	0.40
Berkshire Hathaway 1.125%	1,970,000	€	16.03.2027		1,784	1.03
Berkshire Hathaway Finance 1.5%	440,000	€	18.03.2030		386	0.22
BNP Paribas FRN	1,800,000	€	10.01.2031		1,774	1.03
Booking Holdings 0.5%	343,000	€	08.03.2028		295	0.17
BP Capital Markets 0.933%	459,000	€	04.12.2040		274	0.16
BP Capital Markets 2.822%	1,430,000	€	07.04.2032		1,311	0.76
BPCE 3.375%	1,330,000	US$	02.12.2026		1,137	0.66
Chubb INA Holdings 0.875%	888,000	€	15.12.2029		734	0.43
Chubb INA Holdings 1.55%	425,000	€	15.03.2028		384	0.22
Comcast 0%	792,000	€	14.09.2026		702	0.41
Crédit Agricole FRN	500,000	€	21.09.2029		410	0.24
Crédit Agricole 0.375%	1,500,000	€	20.04.2028		1,247	0.72
Crédit Agricole 1.375%	400,000	€	03.05.2027		364	0.21
Crédit Agricole 1.875%	1,100,000	€	20.12.2026		1,021	0.59
Deutsche Bank 4%	500,000	€	29.11.2027		490	0.28
DH Europe Finance II 0.75%	1,910,000	€	18.09.2031		1,518	0.88
Diageo Finance 1.875%	944,000	€	27.03.2027		892	0.52
East Japan Railway 4.11%	501,000	€	22.02.2043		500	0.29
ELM for Helvetia Schweizerische Versicherungsgesellschaft FRN	319,000	€	29.09.2047		287	0.17
Great-West Lifeco 4.7%	428,000	€	16.11.2029		438	0.25
Hannover Rueck FRN	400,000	€	26.08.2043		408	0.24
Honeywell International 2.25%	800,000	€	22.02.2028		748	0.43
HSBC Holdings 0.875%	1,419,000	€	06.09.2024		1,365	0.79
JPMorgan Chase FRN	1,050,000	€	24.02.2028		907	0.53
JPMorgan Chase FRN	1,413,000	€	25.07.2031		1,132	0.66
JPMorgan Chase 0.625%	860,000	€	25.01.2024		839	0.49

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Medtronic Global Holdings 1.125%	700,000	€	07.03.2027		642	0.37
Medtronic Global Holdings 1.5%	880,000	€	02.07.2039		625	0.36
Mercedes-Benz Finance 1%	731,000	€	11.11.2025		689	0.40
Morgan Stanley FRN	840,000	€	29.10.2027		732	0.42
Morgan Stanley FRN	1,600,000	€	26.10.2029		1,310	0.76
Nationwide Building Society 2%	801,000	€	28.04.2027		741	0.43
Nationwide Building Society 3.25%	418,000	€	05.09.2029		392	0.23
NBN 4.375%	641,000	€	15.03.2033		660	0.38
Nestlé Finance International 0%	883,000	€	03.12.2025		815	0.47
Nestlé Holdings 0.875%	510,000	€	18.07.2025		486	0.28
Prologis Euro Finance 1%	600,000	€	08.02.2029		488	0.28
Prologis Euro Finance 4.25%	388,000	€	31.01.2043		348	0.20
Prologis International Funding II 1.625%	318,000	€	17.06.2032		236	0.14
Prologis International Funding II 1.876%	780,000	€	17.04.2025		735	0.43
Raiffeisen Bank International 4.125%	300,000	€	08.09.2025		295	0.17
RTE Réseau de Transport d'Électricité 0%	1,100,000	€	09.09.2027		953	0.55
RTE Réseau de Transport d'Électricité 0.625%	300,000	€	08.07.2032		232	0.13
Santander Consumer Bank 0.125%	700,000	€	11.09.2024		661	0.38
Santander Consumer Bank 0.25%	700,000	€	15.10.2024		660	0.38
Santander Consumer Finance 0.375%	1,400,000	€	27.06.2024		1,342	0.78
SAP 0.75%	900,000	€	10.12.2024		864	0.50
Shell International Finance 0.5%	700,000	€	08.11.2031		539	0.31
Siemens Financieringsmaatschappij 0.5%	500,000	€	20.02.2032		390	0.23
Siemens Financieringsmaatschappij 2.875%	550,000	€	10.03.2028		543	0.31
Siemens Financieringsmaatschappij 3.625%	600,000	€	24.02.2043		581	0.34
TenneT Holding 3.875%	900,000	€	28.10.2028		920	0.53
Thales 0.75%	1,100,000	€	07.06.2023		1,096	0.63
TotalEnergies FRN	1,000,000	€	31.12.2099		867	0.50
Toyota Finance Australia 0.25%	1,160,000	€	09.04.2024		1,123	0.65
UBS Group FRN	930,000	€	17.04.2025		897	0.52

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
UBS Group FRN	642,000	€	11.01.2031		625	0.36
UBS Group FRN	444,000	€	17.03.2032		444	0.26
Vesteda Finance 0.75%	346,000	€	18.10.2031		253	0.15
Wolters Kluwer 0.75%	587,000	€	03.07.2030		482	0.28
Yorkshire Building Society 0.625%	1,121,000	€	21.09.2025		1,029	0.60
'BBB' credit rated bonds					**81,996**	**47.49**
ABN AMRO Bank 0.6%	800,000	€	15.01.2027		703	0.41
ACEF Holding 0.75%	487,000	€	14.06.2028		364	0.21
Achmea 1.5%	200,000	€	26.05.2027		184	0.11
AIB Group FRN	318,000	€	23.07.2029		311	0.18
Alstom 0.5%	700,000	€	27.07.2030		553	0.32
alstria office 1.5%	1,400,000	€	23.06.2026		1,116	0.65
alstria office 1.5%	1,100,000	€	15.11.2027		789	0.46
American Tower 0.95%	600,000	€	05.10.2030		460	0.27
Anheuser-Busch InBev 2%	673,000	€	17.03.2028		635	0.37
Arion Banki 0.625%	1,189,000	€	27.05.2024		1,135	0.66
Aroundtown 0.375%	500,000	€	15.04.2027		336	0.19
Aroundtown 1.625%	500,000	€	31.01.2028		330	0.19
ASR Nederland FRN	660,000	€	02.05.2049		565	0.33
AT&T 1.6%	655,000	€	19.05.2028		589	0.34
Autostrade per l'Italia 2.25%	800,000	€	25.01.2032		647	0.37
Babcock International Group 1.375%	559,000	€	13.09.2027		491	0.28
Bank of Ireland Group FRN	225,000	€	16.07.2028		225	0.13
Banque Fédérative du Crédit Mutuel FRN	1,000,000	€	16.06.2032		956	0.55
Banque Fédérative du Crédit Mutuel 1.125%	400,000	€	19.11.2031		296	0.17
Banque Fédérative du Crédit Mutuel 5.125%	200,000	€	13.01.2033		201	0.12
Barclays FRN	664,000	€	09.06.2025		637	0.37
Barclays FRN	1,170,000	€	09.08.2029		930	0.54
Bayerische Landesbank FRN	400,000	€	23.09.2031		331	0.19
Bevco Lux 1%	565,000	€	16.01.2030		439	0.25

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
BNP Paribas FRN	1,100,000	€	01.09.2028		928	0.54
Boston Scientific 0.625%	711,000	€	01.12.2027		622	0.36
BPCE FRN	800,000	€	02.03.2029		702	0.41
BPCE 1.375%	600,000	€	23.03.2026		556	0.32
BPCE 4.5%	1,000,000	€	13.01.2033		997	0.58
Bureau Veritas 1.25%	300,000	€	07.09.2023		297	0.17
CA Immobilien Anlagen 1%	500,000	€	27.10.2025		437	0.25
CaixaBank FRN	700,000	€	13.04.2026		661	0.38
CaixaBank FRN	340,000	US$	18.01.2029		314	0.18
CaixaBank 1.375%	600,000	€	19.06.2026		549	0.32
CBRE Global Investors Open-Ended Funds 0.5%	798,000	€	27.01.2028		569	0.33
CBRE Global Investors Open-Ended Funds 0.9%	614,000	€	12.10.2029		409	0.24
Citigroup FRN	488,000	€	08.10.2027		428	0.25
Coentreprise de Transport d'Électricité 1.5%	1,900,000	€	29.07.2028		1,706	0.99
Covivio 1.625%	500,000	€	23.06.2030		413	0.24
CPI Property Group 1.75%	500,000	€	14.01.2030		286	0.17
Crédit Agricole FRN	1,400,000	US$	29.12.2049		1,257	0.73
Crédit Agricole Assurances 1.5%	900,000	€	06.10.2031		683	0.40
Credit Suisse Group FRN	1,160,000	€	14.01.2028		962	0.56
Credit Suisse Group FRN	720,000	€	02.04.2032		594	0.34
Credit Suisse Group 0.65%	520,000	€	10.09.2029		385	0.22
CTP 0.75%	387,000	€	18.02.2027		301	0.17
Deutsche Bank FRN	300,000	€	24.05.2028		271	0.16
Digital Dutch Finco 1.5%	401,000	€	15.03.2030		312	0.18
Duke Energy 3.85%	410,000	€	15.06.2034		383	0.22
E.ON 2.875%	514,000	€	26.08.2028		496	0.29
E.ON International Finance 1.5%	1,000,000	€	31.07.2029		878	0.51
Électricité de France 4.375%	600,000	€	12.10.2029		607	0.35
Électricité de France 4.75%	1,200,000	€	12.10.2034		1,207	0.70
EnBW Energie Baden-Württemberg FRN	1,100,000	€	31.08.2081		854	0.49

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
EnBW International Finance 4%	593,000	€	24.01.2035		588	0.34
EnBW International Finance 4.049%	267,000	€	22.11.2029		271	0.16
Enel FRN	124,000	€	31.12.2099		125	0.07
Enel Finance International 0.875%	1,250,000	€	28.09.2034		866	0.50
Enel Finance International 4.875%	900,000	US$	14.06.2029		797	0.46
Enel Finance International 7.5%	291,000	US$	14.10.2032		297	0.17
Engie 4%	1,000,000	€	11.01.2035		992	0.57
Engie 5.95%	360,000	€	16.03.2111		418	0.24
Eni 0.375%	645,000	€	14.06.2028		545	0.32
Eurogrid 1.5%	1,300,000	€	18.04.2028		1,185	0.69
EWE 0.25%	800,000	€	08.06.2028		678	0.39
Fastighets Balder 1.25%	880,000	€	28.01.2028		628	0.36
Fidelity National Information Services 1.5%	902,000	€	21.05.2027		821	0.48
General Motors Financial 0.955%	956,000	€	07.09.2023		946	0.55
Goldman Sachs Group 1.625%	1,200,000	€	27.07.2026		1,120	0.65
Harley-Davidson Financial Services 5.125%	336,000	€	05.04.2026		337	0.19
Heathrow Funding 1.5%	1,083,000	€	11.02.2030		916	0.53
Heimstaden Bostad Treasury 0.75%	632,000	€	06.09.2029		415	0.24
Heimstaden Bostad Treasury 1.625%	576,000	€	13.10.2031		364	0.21
Hiscox 6%	433,000	£	22.09.2027		500	0.29
Infineon Technologies 1.625%	600,000	€	24.06.2029		532	0.31
ING Groep FRN	700,000	€	29.09.2028		583	0.34
ING Groep FRN	1,000,000	€	18.02.2029		812	0.47
ING Groep FRN	500,000	€	16.11.2032		411	0.24
ING Groep 2.125%	400,000	€	10.01.2026		384	0.22
Intesa Sanpaolo 4%	660,000	US$	23.09.2029		516	0.30
Johnson Controls International 1.375%	1,046,000	€	25.02.2025		1,005	0.58
Klepierre 1.625%	300,000	€	13.12.2032		228	0.13
Lloyds Banking Group FRN	294,000	€	12.11.2025		278	0.16
Lloyds Banking Group FRN	823,000	€	11.01.2029		821	0.48

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Lloyds Banking Group FRN	229,000	£	03.12.2035		201	0.12
Logicor Financing 1.625%	780,000	€	15.07.2027		616	0.36
Logicor Financing 1.625%	660,000	€	17.01.2030		462	0.27
Magallanes 4.054%	373,000	US$	15.03.2029		317	0.18
McDonald's 2%	500,000	€	01.06.2023		499	0.29
Merlin Properties Socimi 1.875%	903,000	€	02.11.2026		826	0.48
Mitchells & Butlers Finance FRN	1,085,727	£	15.12.2033		1,066	0.62
Molnlycke Holding 0.875%	325,000	€	05.09.2029		269	0.16
Mondeléz International 0.25%	967,000	€	17.03.2028		815	0.47
Mondeléz International Holdings Netherlands 0.875%	897,000	€	01.10.2031		706	0.41
National Gas Transmission 4.25%	284,000	€	05.04.2030		284	0.16
National Grid 0.163%	881,000	€	20.01.2028		745	0.43
National Grid 0.25%	584,000	€	01.09.2028		482	0.28
NatWest Group FRN	700,000	US$	22.03.2025		631	0.36
NatWest Group FRN	530,000	€	14.09.2029		428	0.25
NN Group FRN	880,000	€	15.07.2049		844	0.49
Orange 1.125%	300,000	€	15.07.2024		292	0.17
Ørsted 1.5%	500,000	€	26.11.2029		440	0.25
Prosus 1.288%	1,122,000	€	13.07.2029		856	0.50
Quadient 2.25%	700,000	€	03.02.2025		661	0.38
Raiffeisen Bank International FRN	300,000	€	20.12.2032		289	0.17
RCI Banque 2%	390,000	€	11.07.2024		380	0.22
Rentokil Initial 0.5%	522,000	€	14.10.2028		432	0.25
Rentokil Initial Finance 4.375%	122,000	€	27.06.2030		123	0.07
RWE 2.75%	600,000	€	24.05.2030		556	0.32
RWE 4.125%	310,000	€	13.02.2035		303	0.17
Santander UK Group Holdings FRN	846,000	€	13.09.2029		670	0.39
SELP Finance 3.75%	362,000	€	10.08.2027		332	0.19
SES 3.5%	1,000,000	€	14.01.2029		896	0.52
Smurfit Kappa Treasury 1.5%	940,000	€	15.09.2027		846	0.49

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Société Générale 1.25%	500,000	€	12.06.2030		401	0.23
Société Générale 1.75%	900,000	€	22.03.2029		772	0.45
Sofina 1%	900,000	€	23.09.2028		700	0.40
Standard Chartered FRN	1,570,000	€	23.09.2031		1,347	0.78
Swedbank FRN	126,000	€	23.08.2032		117	0.07
Swiss Re Finance FRN	300,000	€	04.06.2052		231	0.13
Takeda Pharmaceutical 1.375%	714,000	€	09.07.2032		575	0.33
Thames Water Utilities Finance 4.375%	583,000	€	18.01.2031		582	0.34
Traton Finance Luxembourg 0.75%	900,000	€	24.03.2029		746	0.43
Tritax EuroBox 0.95%	326,000	€	02.06.2026		273	0.16
UniCredit FRN	1,100,000	€	17.01.2029		1,106	0.64
Upjohn Finance 1.908%	530,000	€	23.06.2032		408	0.24
Verizon Communications 0.75%	914,000	€	22.03.2032		698	0.40
Vier Gas Transport 3.125%	866,000	€	10.07.2023		865	0.50
Vier Gas Transport 4.625%	300,000	€	26.09.2032		309	0.18
Volkswagen Leasing 0.5%	1,510,000	€	12.01.2029		1,223	0.71
Vonovia 0.625%	1,200,000	€	14.12.2029		876	0.51
Vonovia 1.625%	200,000	€	01.09.2051		91	0.05
Vonovia 5%	200,000	€	23.11.2030		187	0.11
Vonovia Finance 2.125%	900,000	€	22.03.2030		719	0.42
Wells Fargo 0.625%	1,370,000	€	25.03.2030		1,077	0.62
Wells Fargo 2%	660,000	€	27.04.2026		624	0.36
WPC Eurobond 1.35%	1,379,000	€	15.04.2028		1,136	0.66
'BB' credit rated bonds					**7,304**	**4.23**
Banco de Sabadell FRN	1,100,000	€	16.06.2028		894	0.52
Banco de Sabadell FRN	400,000	€	07.02.2029		378	0.22
Banco de Sabadell FRN	500,000	€	17.01.2030		428	0.25
Cellnex Telecom 1.75%	600,000	€	23.10.2030		478	0.28
Citycon FRN	304,000	€	31.12.2099		161	0.09
Deutsche Bank FRN	300,000	€	24.06.2032		260	0.15

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
GTC Aurora Luxembourg 2.25%	542,000	€	23.06.2026		429	0.25
Heimstaden 4.375%	400,000	€	06.03.2027		280	0.16
Intesa Sanpaolo 2.925%	660,000	€	14.10.2030		535	0.31
Mahle 2.375%	1,300,000	€	14.05.2028		999	0.58
Repsol International Finance FRN	980,000	€	31.12.2099		926	0.54
Repsol International Finance FRN	558,000	€	31.12.2099		487	0.28
UniCredit FRN	530,000	€	23.09.2029		491	0.28
UniCredit FRN	654,000	€	15.01.2032		558	0.32
'B' credit rated bonds						
Rakuten Group FRN	603,000	€	31.12.2099		**319**	**0.18**
'D' credit rated bonds					**101**	**0.06**
Lehman Brothers Holdings FRN[a]	2,350,000	€	26.09.2040		0	0.00
Silverback Finance 3.1261%[a]	2,650,104	€	25.02.2037		101	0.06
Debt derivatives					**(513)**	**(0.30)**
Credit default swaps						
Markit iTraxx Europe Series 39 5 Year Jun 2028	5,900,000	€			**(38)**	**(0.02)**
Interest rate swaps					**(397)**	**(0.23)**
Pay Var. Receive 0.035% Nov 2026	2,000,000	€			(239)	(0.14)
Pay Var. Receive 0.7538% Mar 2032	1,000,000	€			(180)	(0.10)
Pay Var. Receive 3.2418% Oct 2032	1,000,000	€			21	0.01
Pay Var. Receive 3.0208% Nov 2032	1,030,000	€			1	0.00
Interest rate futures					**(78)**	**(0.05)**
Deutscher Bobl 5 year Futures	38	€	08.06.2023	38	(51)	(0.03)
Deutscher Bund 10 year Futures	(28)	€	08.06.2023	27	(100)	(0.06)
Deutscher Buxl 30 year Futures	(1)	€	08.06.2023	1	(8)	(0.01)
Deutscher Schatz 2 year Futures	313	€	08.06.2023	311	218	0.13
US Treasury Notes 10 year Futures	(16)	US$	21.06.2023	15	(56)	(0.03)
UK Treasury Notes Futures	(4)	£	28.06.2023	5	(11)	(0.01)
US Treasury Notes 5 year Futures	(38)	US$	30.06.2023	35	(70)	(0.04)

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Currency					**140**	**0.08**
Forward currency contracts					**140**	**0.08**
Bought for € 2,509,310.56, Sold for £ 2,194,147.68			26.04.2023		14	0.01
Bought for € 6,918,683.21, Sold for US$ 7,392,617.50			26.04.2023		126	0.07
Bought for £ 44,261.78, Sold for € 49,964.81			26.04.2023		0	0.00
Portfolio of investments					**164,366**	**95.19**
Cash equivalents					**6,765**	**3.92**
'AAA' rated money market funds						
Northern Trust Global Funds - Euro Liquidity Fund Class 'D' (Accumulation)	6,982,046	€			**6,765**	**3.92**
Share class hedging					**(99)**	**(0.06)**
Bought for CHF 1,416,771.24, Sold for € 1,457,397.89			19.04.2023		(36)	(0.02)
Bought for € 25,014.62, Sold for CHF 24,808.29			19.04.2023		0	0.00
Bought for € 61,318.19, Sold for US$ 66,507.02			19.04.2023		0	0.00
Bought for US$ 4,664,075.40, Sold for € 4,350,930.04			19.04.2023		(63)	(0.04)
Total portfolio					**171,032**	**99.05**
Net other assets/(liabilities)					1,634	0.95
Net assets					**172,666**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Debt securities	164,739	95.41
Swap contracts	22	0.01
Unrealised gains on futures contracts	218	0.13
Unrealised gains on forward currency contracts	140	0.08
Total Investment assets	**165,119**	**95.63**
Investment liabilities		
Swap contracts	(457)	(0.26)
Unrealised losses on futures contracts	(296)	(0.18)
Unrealised losses on forward currency contracts	(99)	(0.06)
Total Investment liabilities	**(852)**	**(0.50)**
Total portfolio	**164,267**	**95.13**
Cash equivalents	**6,765**	**3.92**
Net other assets/(liabilities)	**1,634**	**0.95**
Net assets	**172,666**	**100.00**

[a] Fair valued.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures			
	Swaps €'000	Forward currency contracts €'000	Futures €'000	Collateral held as cash €'000
Bank of America Merrill Lynch	0	0	432	0
Barclays Bank London	591,278	0	0	1,050
BNP Paribas	0	86	0	0
HSBC Bank Plc	0	13,153	0	0
JP Morgan London	0	566	0	0
Merrill Lynch Pierce Fenner + Smith Inc	0	100	0	0
Standard Chartered Bank	0	50	0	0
State Street Bank and Trust Company	0	11,692	0	0
State Street Bank and Trust Company, London Branch	0	4,871	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-8.2	-2.2	-2.0	+2.4	13.01.03	09.11.18
Class 'A' Distribution	-8.2	-2.2	-2.0	+0.4	12.07.13	09.11.18
Class 'C' Accumulation	-8.0	-1.8	-1.6	+3.1	13.01.03	09.11.18
Class 'C' Distribution	-8.0	-1.8	-1.6	+0.1	08.08.14	09.11.18
Class 'CI' Accumulation	-8.0	-1.7	-1.5	+3.1	13.01.03	19.11.18
Class 'CI' Distribution	-8.0	-1.7	n/a	-1.9	n/a	22.02.19
Swiss franc						
Class 'A-H' Accumulation	-8.9	-2.6	-2.4	+0.3	28.09.12	09.11.18
Class 'C-H' Accumulation	-8.7	-2.2	-2.0	+0.8	28.09.12	09.11.18

M&G (Lux) Euro Corporate Bond Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A-H' Accumulation	-5.6	-0.6	+0.1	+1.4	08.08.14	09.11.18
Class 'A-H' Distribution	-5.6	-0.6	+0.1	+1.4	08.08.14	09.11.18
Class 'C-H' Accumulation	-5.4	-0.2	+0.5	+1.9	08.08.14	09.11.18
Class 'C-H' Distribution	-5.4	-0.2	+0.5	+1.9	08.08.14	09.11.18

[a] Sub-fund performance before the launch of the sub-fund on 9 November 2018 is that of the relevant Merged Share Class of the M&G European Corporate Bond Fund, which includes UK taxes but excludes entry and exit charges. The M&G European Corporate Bond Fund is a UK authorised sub-fund which launched on 13 January 2003 and its non-Sterling share classes merged into M&G (Lux) Euro Corporate Bond Fund on 9 November 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	5,834,858.779	16.2684	17.7263	18.7920
Class 'A' Distribution	586,404.985	13.7768	15.2654	16.3903
Class 'C' Accumulation	1,465,273.415	18.4840	20.0896	21.2040
Class 'C' Distribution	1,431,461.722	15.8213	17.4869	18.6937
Class 'CI' Accumulation	1,415,488.431	9.3635	10.1730	10.7333
Class 'CI' Distribution	121,601.257	8.6842	9.5948	10.2529
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	78,946.108	10.3617	11.3746	12.0921
Class 'C-H' Accumulation	52,825.743	10.8809	11.9173	12.6174
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	340,519.845	11.2649	11.9381	12.5495
Class 'A-H' Distribution	7,542.939	9.7479	10.5057	11.1853
Class 'C-H' Accumulation	56,395.257	11.7295	12.4016	12.9790
Class 'C-H' Distribution	2,265.862	10.0528	10.8101	11.4583

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	172,666	320,040	561,115
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**172,666**	**320,040**	**561,115**

M&G (Lux) Euro Corporate Bond Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	0.61
Class 'A' Distribution	0.61
Class 'C' Accumulation	0.35
Class 'C' Distribution	0.36
Class 'CI' Accumulation	0.31
Class 'CI' Distribution	0.32
Swiss franc	**%**
Class 'A-H' Accumulation	0.63
Class 'C-H' Accumulation	0.38
US dollar	**%**
Class 'A-H' Accumulation	0.63
Class 'A-H' Distribution	0.63
Class 'C-H' Accumulation	0.38
Class 'C-H' Distribution	0.37

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review proved volatile for bond markets in Europe and beyond. The ongoing war in Ukraine exacerbated high food and energy prices, and central banks repeatedly hiked interest rates in efforts to curb inflation.

High interest rates make the fixed payments offered by bonds look less competitive. This causes bond yields to rise and their prices to fall. The impact is greater for long-dated bonds, and government bonds with maturity dates of 15 years or more were particularly weak.

After a largely volatile period in 2022, with a deep dip in October, markets rallied early in 2023 in anticipation that interest rates may be nearing a peak, with China's post-COVID-19 reopening also raising hopes of a return to growth. This was a brief rally, as central banks soon turned more hawkish, dampening sentiment, and the collapse of Silicon Valley Bank in the US and the UBS acquisition of Credit Suisse in Europe in March brought turmoil to the banking sector, although fears of contagion eased.

The sub-fund delivered a positive return but was behind European inflation, as measured by the Eurostat Eurozone Harmonised Index of Consumer Prices over the period under review. Over the 12 months, the sub-fund primarily held a range of fixed interest securities whose returns behave in a similar way to inflation; these securities are typically denominated in euros or are hedged back to euros. Just over half the sub-fund is made up of inflation linked bonds. In asset terms, investment grade bonds were the strongest performers and as we are heavily weighted here, these contributed positively. Mortgage-backed securities also contributed. Our yield curve exposure, however, detracted.

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.

Investment activities

We remained active within credit, particularly using credit default swap (CDS) indices to take advantage of sharp reprices and with a continued focus on higher quality investment grade names which we believe are unlikely to default even if a recession occurs. Towards the end of the period, we reduced credit risk as spreads tightened during more volatile periods and bought covered bonds in the primary market (new issue bonds), before moving into some high yield (lower quality) bonds as volatility spiked.

However, we added risk as volatility increased to make the most of opportunities, including new issues from Ford and AT&T. Additionally, have looked for positions in good quality banks, where we believe valuations are much more attractive now than they were pre-2008.

From 15 February 2023, the sub-fund's objective, investment policy and its strategy were updated to introduce a set of environmental, social and governance (ESG) exclusions. The new strategy was updated to reflect the role of ESG considerations in the sub-fund's investment process.

Outlook

At the end of the review period, bond market volatility was at its highest level since the banking crisis of 2008. We maintain our view that inflation looks set to stay higher for longer in the UK and eurozone, compared with the US. We believe expectations around inflation and recession risk will drive market performance. Although March's banking sector worries have eased and inflation is currently heading in the right direction, which is positive for bonds, recession is still possible given that core prices – and central bank rates – remain elevated. In this uncertain environment, we will maintain a balanced and diversified approach, continuing to focus on investment grade bonds where we see good value and solid yields.

Investment review

Matthew Russell
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 15 February 2023, the sub-fund was 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. From 16 February 2023, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income					**117,609**	**94.31**
Debt securities					**117,206**	**93.99**
'AAA' credit rated bonds					**62,247**	**49.91**
Avoca CLO XXV FRN	383,000	€	15.10.2034		371	0.30
Bank of Nova Scotia FRN	1,091,000	£	09.03.2027		1,243	1.00
Blackrock European CLO XII FRN	500,000	€	17.01.2035		479	0.38
Cairn CLO XIV FRN	500,000	€	29.10.2034		483	0.39
Canada Square Funding FRN	720,636	£	17.01.2059		811	0.65
CIFC European Funding CLO V FRN	500,000	€	23.11.2034		482	0.39
Coventry Building Society FRN	474,000	£	14.03.2028		539	0.43
Deutsche Bundesrepublik Inflation Linked Bond 0.1%	2,500,000	€	15.04.2033		2,910	2.33
Elstree Funding No. 2 FRN	500,475	£	21.12.2054		563	0.45
Germany (Federal Republic of) 0.1%	8,000,000	€	15.04.2023		9,937	7.97
Germany (Federal Republic of) 0.1%	25,500,000	€	15.04.2026		30,888	24.77
Germany (Federal Republic of) I/L 0.1%	50,000	€	15.04.2046		64	0.05
Germany (Federal Republic of) I/L 0.5%	50,000	€	15.04.2030		63	0.05
Harbour FRN	559,346	£	28.01.2054		631	0.51
Lanebrook Mortgage Transaction FRN	293,051	£	20.07.2058		329	0.26
London Wall Mortgage Capital FRN	120,002	£	15.05.2051		135	0.11
London Wall Mortgage Capital FRN	258,253	£	15.05.2052		290	0.23
Mortimer FRN	891,072	£	23.03.2054		1,010	0.81
Newday Partnership Funding FRN	750,000	£	15.11.2028		852	0.68
Palmer Square European Loan Funding FRN	299,502	€	15.07.2031		291	0.23
Polaris FRN	945,849	£	23.10.2059		1,065	0.85
Precise Mortgage Funding FRN	40,303	£	16.10.2056		46	0.04
Royal Bank of Canada FRN	1,200,000	£	18.01.2028		1,371	1.10
RRE 5 Loan Management FRN	500,000	€	15.01.2037		482	0.39
Satus FRN	183,112	£	17.08.2028		208	0.17
Shamrock Residential FRN	1,123,673	€	24.12.2059		1,124	0.90
Stratton BTL Mortgage Funding FRN	502,276	£	20.01.2054		565	0.45
Taurus UK FRN	803,187	£	17.08.2031		892	0.71
Together Asset Backed Securitisation FRN	121,948	£	15.12.2061		139	0.11
Together Asset Backed Securitisation FRN	305,568	£	12.07.2063		345	0.28

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'AAA' credit rated bonds (continued)						
Towd Point Mortgage Funding FRN	1,000,000	£	20.10.2051		1,130	0.91
Towd Point Mortgage Funding FRN	75,962	£	20.02.2054		86	0.07
Tower Bridge Funding FRN	660,792	£	20.11.2063		749	0.60
Tower Bridge Funding FRN	410,168	£	20.12.2063		463	0.37
Tudor Rose Mortgages FRN	469,962	£	20.06.2048		531	0.43
Twin Bridges FRN	606,179	£	12.09.2055		680	0.54
'AA' credit rated bonds					**14,666**	**11.76**
France (Republic of) 0.1%	950,000	€	01.03.2026		1,089	0.87
France (Republic of) 0.1%	10,200,000	€	01.03.2029		11,702	9.38
Metropolitan Life Global Funding I 1.625%	836,000	£	12.10.2028		806	0.65
Network Rail Infrastructure Finance 1.75%	350,000	£	22.11.2027		754	0.61
New York Life Global Funding 0.75%	342,000	£	14.12.2028		315	0.25
'A' credit rated bonds					**7,164**	**5.75**
Alba FRN	314,050	€	15.12.2038		298	0.24
Bank of America FRN	1,328,000	€	22.09.2026		1,322	1.06
Cargill 3.5%	500,000	US$	22.04.2025		448	0.36
Crédit Agricole FRN	400,000	€	11.07.2029		399	0.32
E-MAC NL I FRN	103,569	€	25.04.2038		100	0.08
Henkel 1.75%	600,000	US$	17.11.2026		499	0.40
JPMorgan Chase FRN	400,000	£	28.04.2026		416	0.33
Landmark Mortgage Securities No. 2 FRN	313,749	€	17.06.2039		294	0.24
Morgan Stanley FRN	1,000,000	US$	24.01.2025		909	0.73
Morgan Stanley FRN	350,000	€	29.10.2027		305	0.24
Nationwide Building Society 4.25%	136,404	£	23.02.2024		517	0.41
NatWest Markets FRN	732,000	US$	22.03.2025		669	0.54
Newgate Funding FRN	259,676	€	15.12.2050		250	0.20
South Eastern Power Networks 3.053%	25,000	£	05.06.2023		57	0.05
UBS Group FRN	338,000	US$	09.08.2024		309	0.25
UBS Group FRN	385,000	€	21.03.2025		372	0.30

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds					**28,529**	**22.88**
AA Bond 6.269%	1,500,000	£	02.07.2043		1,672	1.34
AerCap Ireland Capital Via AerCap Global Aviation Trust 2.45%	454,000	US$	29.10.2026		373	0.30
AT&T 5.539%	556,000	US$	20.02.2026		513	0.41
Banco Santander FRN	200,000	US$	12.04.2023		184	0.15
Banco Santander FRN	700,000	£	04.10.2032		644	0.52
Banco Santander 1.5%	400,000	£	14.04.2026		401	0.32
Barclays FRN	288,000	US$	09.08.2028		259	0.21
BNP Paribas FRN	200,000	£	24.05.2031		196	0.16
CaixaBank FRN	700,000	£	06.04.2028		714	0.57
Citigroup FRN	1,000,000	US$	17.03.2026		924	0.74
Citigroup FRN	295,000	€	06.07.2026		276	0.22
Enel FRN	216,000	€	31.12.2099		174	0.14
Enel Finance International 6.8%	667,000	US$	14.10.2025		635	0.51
General Motors Financial FRN	1,000,000	US$	17.11.2023		918	0.74
Goldman Sachs Group FRN	1,231,000	US$	24.02.2028		1,106	0.89
Hiscox 6%	541,000	£	22.09.2027		625	0.50
Intesa Sanpaolo 4.75%	1,050,000	€	06.09.2027		1,048	0.84
Italy Buoni Poliennali Del Tesoro 0.4%	1,500,000	€	15.05.2030		1,591	1.28
Italy Buoni Poliennali Del Tesoro 0.65%	4,000,000	€	15.05.2026		4,517	3.62
Lloyds Banking Group FRN	122,000	€	12.11.2025		115	0.09
Lloyds Banking Group FRN	1,000,000	US$	18.03.2026		874	0.70
Lloyds Banking Group FRN	172,000	€	01.04.2026		170	0.14
Lloyds Banking Group FRN	126,000	£	15.12.2031		122	0.10
Magallanes FRN	625,000	US$	15.03.2024		578	0.46
Mitchells & Butlers Finance FRN	40,401	US$	15.12.2030		34	0.03
Nationwide Building Society FRN	1,500,000	US$	16.02.2028		1,335	1.07
NatWest Group FRN	200,000	US$	22.05.2024		183	0.15
Pacific Gas and Electric 4.95%	583,000	US$	08.06.2025		529	0.42
Royal Bank of Scotland Group FRN	300,000	£	19.09.2026		318	0.25
Santander UK Group Holdings FRN	263,000	€	28.02.2025		254	0.20

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Southern Water Services Finance 3.816%	100,000	£	31.03.2023		219	0.18
Terna - Rete Elettrica Nazionale 2.731%	750,000	€	15.09.2023		1,008	0.81
Tesco 3.322%	500,000	£	05.11.2025		1,185	0.95
UniCredit FRN	600,000	€	17.01.2029		603	0.48
Volkswagen International Finance FRN	1,800,000	€	31.12.2099		1,595	1.28
Vonovia 0.375%	1,000,000	€	16.06.2027		815	0.65
Wells Fargo FRN	266,000	€	04.05.2025		258	0.21
Wells Fargo FRN	1,500,000	£	26.04.2028		1,564	1.25
'BB' credit rated bonds					**3,720**	**2.98**
Catalyst Healthcare Manchester Financing 2.411%	66,093	£	30.09.2040		141	0.11
Coventry Building Society FRN	700,000	£	31.12.2099		700	0.56
Ford Motor Credit 4.867%	595,000	€	03.08.2027		577	0.46
General Electric FRN	689,000	US$	29.12.2049		633	0.51
GTC Aurora Luxembourg 2.25%	187,000	€	23.06.2026		148	0.12
Santander UK Group Holdings FRN	500,000	£	31.12.2099		504	0.41
SES FRN	400,000	€	31.12.2099		326	0.26
Vodafone Group FRN	700,000	€	03.01.2079		691	0.55
'B' credit rated bonds						
Iliad Holding 6.5%	1,000,000	US$	15.10.2026		**880**	**0.71**
Debt derivatives					**403**	**0.32**
Credit default swaps					**794**	**0.64**
Airbus Dec 2025	500,000	€			6	0.01
America Movil Dec 2023	500,000	US$			2	0.00
Anglo American Dec 2025	1,000,000	€			105	0.09
Aviva Dec 2026	1,000,000	€			13	0.01
AXA Dec 2026	1,000,000	€			13	0.01
Électricité de France Dec 2025	500,000	€			4	0.00
LafargeHolcim Jun 2023	250,000	€			1	0.00
Markit iTraxx Europe Series 35 5 Year Jun 2026	12,000,000	€			145	0.12
Markit iTraxx Europe Series 36 3 Year Dec 2024	9,300,000	€			102	0.08

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt derivatives (continued)						
Credit default swaps (continued)						
Markit iTraxx Europe Series 36 5 Year Dec 2026	16,500,000	€			191	0.15
Markit iTraxx Europe Series 37 5 Year Jun 2027	17,150,000	€			176	0.14
Markit iTraxx Europe Series 38 5 Year Dec 2027	1,200,000	€			36	0.03
Interest rate futures					**(391)**	**(0.32)**
Deutscher Bobl 5 year Futures	(82)	€	08.06.2023	81	(199)	(0.16)
Deutscher Bund 10 year Futures	(34)	€	08.06.2023	32	(151)	(0.12)
Deutscher Schatz 2 year Futures	(41)	€	08.06.2023	41	(41)	(0.04)
Currency					**399**	**0.32**
Forward currency contracts					**399**	**0.32**
Bought for € 27,202,023.18, Sold for £ 23,781,141.26			26.04.2023		149	0.12
Bought for € 13,194,631.26, Sold for US$ 14,089,903.47			26.04.2023		250	0.20
Bought for £ 589,970.48, Sold for € 670,321.27			26.04.2023		0	0.00
Portfolio of investments					**118,008**	**94.63**
Cash equivalents					**1,629**	**1.30**
'AAA' rated money market funds						
Northern Trust Global Funds - Euro Liquidity Fund Class 'D' (Accumulation)	1,681,041	€			**1,629**	**1.30**
Share class hedging					**(3)**	**0.00**
Bought for CHF 113,669.09, Sold for € 116,953.41			19.04.2023		(3)	0.00
Bought for € 1,258.99, Sold for CHF 1,251.27			19.04.2023		0	0.00
Total portfolio					**119,634**	**95.93**
Net other assets/(liabilities)					5,074	4.07
Net assets					**124,708**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Debt securities	117,206	93.99
Swap contracts	794	0.64
Unrealised gains on forward currency contracts	399	0.32
Total Investment assets	**118,399**	**94.95**
Investment liabilities		
Unrealised losses on futures contracts	(391)	(0.32)
Unrealised losses on forward currency contracts	(3)	0.00
Total Investment liabilities	**(394)**	**(0.32)**
Total portfolio	**118,005**	**94.63**
Cash equivalents	**1,629**	**1.30**
Net other assets/(liabilities)	**5,074**	**4.07**
Net assets	**124,708**	**100.00**

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures			
	Swaps €'000	Forward currency contracts €'000	Futures €'000	Collateral held as cash €'000
Bank of America Merrill Lynch	0	0	154	0
Barclays Bank London	56,150	0	0	2,577
BNP Paribas	2,460	0	0	0
Deutsche Bank AG	0	73	0	0
Goldman Sachs International	2,250	0	0	0
HSBC Bank Plc	0	26,083	0	0
JP Morgan London	0	510	0	0
Merrill Lynch Pierce Fenner + Smith Inc	0	1,156	0	0
State Street Bank and Trust Company	0	233	0	0
State Street Bank and Trust Company, London Branch	0	53,951	0	0

Exposure represents the sub-fund's exposure to that counterparty.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	+0.7	+3.9	+1.2	+1.4	16.09.10	16.03.18
Class 'C' Accumulation	+1.0	+4.4	+1.7	+1.9	16.09.10	16.03.18
Class 'CI' Accumulation	+1.1	+4.4	+1.8	+1.9	16.09.10	16.03.18
Swiss franc						
Class 'A-H' Accumulation	0.0	+3.4	+0.8	+0.3	28.09.12	16.03.18
Class 'C-H' Accumulation	+0.2	+3.9	+1.3	+0.9	28.09.12	16.03.18

[a] Sub-fund performance before the launch of the sub-fund on 16 March 2018 is that of the relevant Merged Share Class of the M&G European Inflation Linked Corporate Bond Fund, which includes UK taxes but excludes entry and exit charges. The M&G European Inflation Linked Corporate Bond Fund is a UK authorised sub-fund which launched on 16 September 2010 and its non-Sterling share classes merged into M&G (Lux) European Inflation Linked Corporate Bond Fund on 16 March 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	7,051,273.459	11.8518	11.7677	11.3615
Class 'C' Accumulation	2,940,503.612	12.6346	12.5072	12.0122
Class 'CI' Accumulation	354,242.506	10.9306	10.8162	10.3838
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,496.530	10.3737	10.3782	10.0482
Class 'C-H' Accumulation	8,001.773	10.9326	10.9091	10.5058

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	124,708	150,645	68,604
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**124,708**	**150,645**	**68,604**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	0.70
Class 'C' Accumulation	0.40
Class 'CI' Accumulation	0.37
Swiss franc	**%**
Class 'A-H' Accumulation	0.72
Class 'C-H' Accumulation	0.42

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

European shares made gains in the review period, compared with losses for global and US stocks, as a strong second half more than offset a weak April to September period. Rising interest rates and economic risks drove first-half losses, as inflation surged to multi-decade highs following Russia's invasion of Ukraine. Shares rebounded from late 2022 onwards as some signs of slowing inflation spurred optimism that rates wouldn't climb as high as previously feared. Concerns about a recession also faded as falling power prices eased pressure on consumer spending.

Value stocks outperformed the broader European market during the year, as rising interest rates boosted the appeal of profitable companies making steady dividend payments today. By contrast, higher borrowing costs dented the appeal of growth stocks, which promise rewards in the future.

All of the sub-fund's share classes outperformed the benchmark MSCI Europe Net Return Index, which posted full-year gains of 3.8%. Exposure to the energy sector drove the outperformance, aided by both an overweight allocation and stockpicking. Share choices in the financials and materials sectors were also beneficial. Consumer discretionary was the biggest drag followed by information technology and healthcare.

Oil giant BP was amongst the largest contributors to the sub-fund's outperformance in relative terms, with TotalEnergies also near the top of the list. This reflected the sub-fund's overweight position in energy and high crude prices. Bank of Ireland was the largest relative positive contributor to sub-fund performance in a rising interest rate environment.

Coach and bus operator National Express was the sub-fund's largest detractor from relative performance, as it contends with wage inflation in the US and concerns about the UK economy. The company also said that maintaining low fares would constrain post-pandemic margin recovery. German home-improvement chain Hornbach and telecom infrastructure maker Ericsson also detracted in relative terms.

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.

Investment activities

We added a number of new positions during the year, reflecting opportunities across different industries and countries. These additions included French lighter and razor maker BIC, because of its robust sales, high margins and attractive valuation. We also opened a position in power-equipment maker Siemens Energy and its affiliate Siemens, the engineering giant. Other notable additions were French construction company Saint-Gobain's glass bottling brand Verallia and German chemical maker BASF. Furthermore, we increased existing positions in UK supermarket operator Tesco, Dutch bank ING and drugmaker Roche.

Exits for the sub-fund began with the April sale of Nokian Tyres. The stake was sold at a small profit after being purchased amid a March sell-off tied to the war in Ukraine. Other closed positions included carmaker BMW, UK drinksmaker Britvic, Spanish IT services firm Indra Sistemas and tobacco firm Imperial Brands. We also exited three financial services companies – banks Credit Suisse and Société Générale, and Spanish insurer Mapfre. We took profits by selling shares in German defence contractor Rheinmetall and oil-tanker company Euronav.

Outlook

Markets remain volatile because of uncertainty about the future path of inflation and interest rates. Energy costs and the war in Ukraine also hang over the European economy, along with lingering concerns about liquidity following transatlantic banking turmoil in March. This environment is likely favourable to value stocks, in our view, even if inflation has peaked, and there are many areas of opportunity amid low valuations. The uncertainty also heightens the importance of having a very balanced portfolio, particularly given the risk of further unexpected surprises.

M&G (Lux) European Strategic Value Fund

Investment review

Richard Halle
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 21 December 2022, the sub-fund was 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. From 22 December 2022, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities					**1,410,617**	**96.93**
Energy equipment & services					**43,423**	**2.98**
PGS	11,971,840	NOK			10,229	0.70
Subsea 7	1,467,565	NOK			15,973	1.10
Tenaris	1,309,344	€			17,221	1.18
Oil, gas & consumable fuels					**158,737**	**10.91**
BP	9,144,790	£			53,122	3.65
Cobalt International Energy[a]	228,883	US$			0	0.00
Euronav	438,363	€			6,661	0.46
Euronav	436,586	US$			6,629	0.46
Shell	1,353,273	£			35,546	2.44
TotalEnergies	1,047,105	€			56,779	3.90
Chemicals					**35,137**	**2.42**
BASF	409,893	€			19,795	1.36
Johnson Matthey	359,132	£			8,044	0.56
Yara International	182,282	NOK			7,298	0.50
Construction materials						
Buzzi Unicem	881,624	€			**19,837**	**1.36**
Metals & mining					**47,559**	**3.27**
APERAM	480,067	€			16,459	1.13
ArcelorMittal	717,944	€			19,970	1.37
Outokumpu	2,201,866	€			11,130	0.77
Paper & forest products						
UPM-Kymmene	939,914	€			**29,062**	**2.00**
Aerospace & defense					**34,071**	**2.34**
BAE Systems	1,890,038	£			21,171	1.45
QinetiQ Group	3,491,904	£			12,900	0.89
Building products						
Compagnie de Saint-Gobain	336,107	€			**17,639**	**1.21**
Electrical equipment					**22,227**	**1.53**
NKT	111,830	DKK			5,306	0.37
Siemens Energy	842,506	€			16,921	1.16

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Industrial conglomerates					**53,144**	**3.65**
Rheinmetall	67,877	€			18,741	1.29
Siemens	231,186	€			34,403	2.36
Machinery						
FLSmidth	315,333	DKK			**11,058**	**0.76**
Commercial services & supplies					**49,670**	**3.41**
Bilfinger	255,160	€			10,000	0.69
Securitas 'B'	2,444,117	SEK			19,870	1.36
Societe BIC	338,028	€			19,800	1.36
Airlines						
easyJet	1,661,694	£			**9,881**	**0.68**
Marine						
AP Moller - Maersk 'B'	5,480	DKK			**9,062**	**0.62**
Road & rail						
National Express Group	6,085,855	£			**8,324**	**0.57**
Auto components						
Compagnie Générale des Etablissements Michelin	537,303	€			**15,140**	**1.04**
Automobiles					**47,412**	**3.26**
Stellantis	2,275,381	€			37,887	2.60
Volkswagen Pref. (non voting)	76,004	€			9,525	0.66
Hotels, restaurants & leisure						
Whitbread	394,119	£			**13,294**	**0.91**
Specialty retail					**46,570**	**3.20**
CECONOMY	1,452,590	€			3,573	0.25
Dixons Carphone	12,455,063	£			8,419	0.58
Hornbach Holding	277,444	€			20,441	1.40
Kingfisher	4,792,652	£			14,137	0.97
Food & staples retailing					**128,953**	**8.86**
Carrefour	1,975,326	€			36,904	2.54
Koninklijke Ahold Delhaize	1,420,399	€			44,867	3.08
Tesco	15,545,560	£			47,182	3.24

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Household products						
Henkel Pref.	147,426	€			**10,635**	**0.73**
Personal products						
Haleon	1,796,686	£			**6,594**	**0.45**
Health care providers & services						
Spire Healthcare Group	4,867,432	£			**11,872**	**0.82**
Pharmaceuticals					**191,958**	**13.19**
AstraZeneca	240,476	£			30,898	2.12
Bayer	263,106	€			15,492	1.07
GSK	2,122,369	£			34,578	2.38
Ipsen	147,676	€			15,181	1.04
Novartis	534,388	CHF			45,090	3.10
Roche Holding	73,136	CHF			19,122	1.31
UCB	380,910	€			31,597	2.17
Banks					**168,454**	**11.58**
Bank of Ireland Group	3,117,462	€			28,849	1.98
BNP Paribas	242,375	€			13,334	0.92
CaixaBank	6,498,974	€			23,367	1.60
Erste Group Bank	970,602	€			29,545	2.03
ING Groep	1,027,949	€			11,201	0.77
Lloyds Banking Group	43,527,371	£			23,684	1.63
NatWest Group	7,307,300	£			21,933	1.51
Permanent TSB Group Holdings	7,160,673	€			16,541	1.14
Capital markets						
UBS Group	945,621	CHF			**18,206**	**1.25**
Insurance					**32,224**	**2.21**
Direct Line Insurance Group	3,975,538	£			6,280	0.43
FBD Holdings	1,876,620	€			25,944	1.78
Communications equipment					**38,422**	**2.64**
Nokia	4,356,814	€			19,552	1.34
Telefonaktiebolaget LM Ericsson	3,557,883	SEK			18,870	1.30

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Technology hardware, storage & peripherals						
Quadient	1,203,202	€			**20,557**	**1.41**
Diversified telecommunication services					**23,664**	**1.63**
Deutsche Telekom	117,127	€			2,617	0.18
Orange	1,913,549	€			21,047	1.45
Wireless telecommunication services						
Vodafone Group	4,553,478	£			**4,648**	**0.32**
Multi-utilities					**83,183**	**5.72**
Centrica	21,802,585	£			26,298	1.81
E.ON	1,511,612	€			17,395	1.20
Engie	1,612,478	€			23,562	1.62
National Grid	1,282,711	£			15,928	1.09
Portfolio of investments					**1,410,617**	**96.93**
Cash equivalents					**44,361**	**3.05**
'AAA' rated money market funds						
Northern Trust Global Funds - Euro Liquidity Fund Class 'D' (Accumulation)	45,784,975	€			**44,361**	**3.05**
Total portfolio					**1,454,978**	**99.98**
Net other assets/(liabilities)					231	0.02
Net assets					**1,455,209**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	1,410,617	96.93
Total Investment assets	**1,410,617**	**96.93**
Total portfolio	**1,410,617**	**96.93**
Cash equivalents	**44,361**	**3.05**
Net other assets/(liabilities)	**231**	**0.02**
Net assets	**1,455,209**	**100.00**

[a] Fair valued.

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	+4.6	+21.0	+5.8	+5.3	01.02.08	20.09.18
Class 'A' Distribution	+4.6	+21.0	n/a	+7.6	n/a	06.12.19
Class 'B' Accumulation	+4.0	+20.4	n/a	+7.1	n/a	06.12.19
Class 'C' Accumulation	+5.4	+21.9	+6.6	+6.2	01.02.08	20.09.18
Class 'C' Distribution	+5.3	+21.9	n/a	+8.4	n/a	06.12.19
Class 'CI' Accumulation	+5.4	+22.0	+6.6	+6.2	01.02.08	20.09.18
Class 'CI' Distribution	+5.4	+22.0	n/a	+8.5	n/a	06.12.19
Class 'J' Accumulation	+5.6	+22.2	n/a	+6.4	n/a	20.09.18
Class 'J' Distribution	+5.6	n/a	n/a	+11.0	n/a	26.04.21
Class 'JI' Accumulation	+5.7	+22.3	n/a	+6.5	n/a	20.09.18
Class 'JI' Distribution	+5.7	n/a	n/a	+11.1	n/a	26.04.21

M&G (Lux) European Strategic Value Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A' Accumulation	+2.4	+20.7	+3.2	+3.8	08.08.14	20.09.18
Class 'C' Accumulation	+3.2	+21.6	+3.9	+4.6	08.08.14	20.09.18

[a] Sub-fund performance before the launch of the sub-fund on 18 September 2018 is that of the relevant Merged Share Class of the M&G European Strategic Value Fund, which includes UK taxes but excludes entry and exit charges. The M&G European Strategic Value Fund is a UK authorised sub-fund which launched on 1 February 2008 and its non-Sterling share classes merged into M&G (Lux) European Strategic Value Fund on 7 December 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	29,585,353.182	12.6619	12.1093	10.5248
Class 'A' Distribution	1,004,916.314	11.8422	11.6387	10.3509
Class 'B' Accumulation	94,654.695	12.5419	12.0540	10.5297
Class 'C' Accumulation	13,350,626.949	13.1314	12.4640	10.7527
Class 'C' Distribution	908,267.688	12.1445	11.8450	10.4546
Class 'CI' Accumulation	54,878,424.227	13.1275	12.4555	10.7406
Class 'CI' Distribution	5,079.504	12.2928	11.9847	10.5735
Class 'J' Accumulation	316,777.518	13.2500	12.5451	10.7962
Class 'J' Distribution	1,000.000	11.9275	11.5838	n/a
Class 'JI' Accumulation	10,726,258.594	13.2771	12.5660	10.8088
Class 'JI' Distribution	17,342.038	11.9351	11.5872	n/a
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	417,384.522	11.7475	11.4671	10.5419
Class 'C' Accumulation	836,181.407	12.1552	11.7742	10.7427

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	1,455,209	1,224,353	897,041
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**1,455,209**	**1,224,353**	**897,041**

M&G (Lux) European Strategic Value Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.68
Class 'A' Distribution	1.69
Class 'B' Accumulation	2.19
Class 'C' Accumulation	0.94
Class 'C' Distribution	0.94
Class 'CI' Accumulation	0.90
Class 'CI' Distribution	0.90
Class 'J' Accumulation	0.69
Class 'J' Distribution	0.69
Class 'JI' Accumulation	0.64
Class 'JI' Distribution	0.65
US dollar	**%**
Class 'A' Accumulation	1.69
Class 'C' Accumulation	0.93

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The 12-month period under review was a highly volatile one for financial markets. Russia's invasion of Ukraine and continued COVID-19 restrictions in China led to further supply chain dislocations and inflation at multi-decade highs. The Federal Reserve and most other major central banks hiked interest rates aggressively in response, which put immense pressure on asset valuations and stoked fears of a recession. Later in the period, sentiment improved as China eased its zero-COVID-19 policy and cooling inflation data sparked hopes of a pause or reversal in interest rate hikes. There was severe volatility in March, however, as the collapse of two US banks led to fears of potential contagion.

Within equities (company shares), energy stocks performed best as higher oil prices fed through to strong company earnings. By contrast, real estate shares were especially weak as rising interest rates weighed on property, and March's banking crisis led to concerns over a liquidity crunch. For much of the period, high-growth sectors such as technology were weak, as higher interest rates compressed valuations and recession fears ate into growth forecasts. However, this dynamic reversed in early 2023 as investors anticipated a near-term peak in interest rates.

Government bonds fell sharply as yields (which move inversely to bond prices) rose in response to high inflation and rising interest rates. Investment grade corporate bonds reflected this weakness, as did riskier high yield and emerging market bonds. In foreign exchange, the period was defined by a strong US dollar. The dollar rose against most other currencies as the Federal Reserve delivered a series of interest rate hikes and recession fears pushed investors to seek safe havens.

Convertibles were weak over the period, reflecting the weakness in both equity and bond markets. Higher interest rates weighed on the bond floor of convertible assets. The asset class's relatively high exposure to growth sectors and low exposure to the period's stronger sectors such as energy was another headwind. In addition, many convertibles issued in 2021 were priced high and have performed especially poorly after the era of ultra-low interest rates came to an abrupt end.

The sub-fund declined over the period but finished ahead of its benchmark. In absolute terms, the best performers were convertibles in the energy and utilities sectors. By contrast, holdings in financials, basic materials and technology detracted most. In terms of regions, the sub-fund's holdings in Asia ex Japan held up best, while holdings in the US, Europe and Japan all declined.

In terms of individual holdings, top detractors in absolute terms included a convertible from MP Materials. Shares in the fast-growing rare earths miner fell as interest rates rose and rare earth prices weakened. Cryptocurrency platform Coinbase also detracted after crypto prices fell sharply following the collapse of FTX, another exchange provider, in November. Akamai Technologies also underperformed. Akamai shares fell sharply in May 2022 after the company reported lower first-quarter earnings, and again in February when the firm announced a further shift into the cloud computing space.

Many of the sub-fund's top contributors were due to acquisition activity and corporate actions. These included convertibles from French electricity generator EDF, which was nationalised by the French government, and Twitter, which was bought by Elon Musk. The position in Chinese hotels group H World (formerly Huazhu) also outperformed after China loosened its zero-COVID-19 policy and investors anticipated a recovery in domestic and outbound travel.

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.

Investment Activities

We were active in adjusting the positioning of the portfolio over the period. The market's general weakness provided opportunities to establish positions in what we considered to be interesting companies at compelling prices and reinvest in positions that we had

Investment review

previously sold on valuation grounds. Among the portfolio's largest additions were convertibles from banking group BNP Paribas, Chinese delivery firm ZTO Express, ride hailing and food delivery group Uber, ticketing company Live Nation, Chinese online shopping platform Meituan, Southwest Airlines and accommodation platform Airbnb (in which we also bought an equity stake).

To make room for the additions, we sold convertibles that we thought had little chance of generating a decent return, or no longer satisfied our selection criteria. This included companies such as Voya, Etsy, Lenovo and Siemens, though we used subsequent price weakness to rebuild a position in Siemens. Concerns about deteriorating credit quality led us to dispose of convertibles from Dish Networks and Coinbase. We also sold our holding of a convertible from Booking Holdings to make room for our investment in Airbnb.

As previously mentioned, EDF and Twitter left the sub-fund after the companies were acquired. Elsewhere, we accepted the option to sell our holdings of convertibles from Yandex and software firm Coupa back to the issuers.

Outlook

As investors in convertibles, we can deal with the uncertainties ahead by tweaking three main levers: credit quality, option structure, and equity. Overall, we remain more constructive on credit valuations than on equities in the current environment.

Credit currently offers a rich vein of investment opportunities. In the US and Europe, credit spreads (which represent a measure of how risky investors perceive markets to be) have normalised into our fair range of 400-500 basis points. These spreads, coupled with higher interest rates, provide what we consider to be attractive yields. In Asia, high yield credit spreads have widened substantially during this past quarter, providing cheap valuations. We are also finding convertible-implied spreads that are cheaper than equivalent straight bonds.

For equities, we are less confident on valuations given the macroeconomic and earnings risks ahead. To us, US equities still seem richly valued while European and Asian valuations are cheaper overall, even after considering sector and growth differentials.

The events in the banking sector in March are a reminder of the need to be prepared for what we do not know is coming. For us, this means being highly discerning when choosing our investments. Our game plan involves buying the right convertible structure, not just the right stock name. We continue to look for convertibles with good credit quality and a low distance to the bond floor, which could potentially hold up relatively well in a market downturn. We are also looking for opportunities with enough delta (sensitivity to the movement in the price of the underlying stock) to provide equity upside should the underlying stocks go up in price, but which fall by a lesser degree if the underlying stocks go down. In addition, we remain focused on companies with better business models and proven free cashflow-generation capabilities.

Léonard Vinville
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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.

Investment review

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

Until 9 November 2022, the sub-fund was 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. From 10 November 2022, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**6,159**	**2.59**
Russia						
Severstal[a]	85,835	US$			**0**	**0.00**
United States					**5,019**	**2.11**
Airbnb	11,001	US$			1,351	0.57
Palo Alto Networks	3,859	US$			749	0.31
Take-Two Interactive Software	17,695	US$			2,067	0.87
Uber Technologies	27,235	US$			852	0.36
China						
Longfor Group Holdings	404,000	HK$			**1,140**	**0.48**
Fixed income					**225,182**	**94.49**
United Kingdom					**14,546**	**6.10**
Investment grade corporate bonds						
Barclays Bank 0%	3,158,000	US$	18.02.2025		**3,252**	**1.36**
Corporate bonds with no credit rating					**11,294**	**4.74**
Barclays Bank 0%	4,700,000	€	24.01.2025		5,156	2.16
Capital & Counties Properties 2%	2,800,000	£	30.03.2026		3,044	1.28
WH Smith 1.625%	2,800,000	£	07.05.2026		3,094	1.30
Denmark						
Corporate bonds with no credit rating						
GN Store Nord 0%	1,000,000	€	21.05.2024		**1,007**	**0.42**
France					**14,532**	**6.10**
Below investment grade corporate bonds					**4,145**	**1.74**
Accor FRN	1,100,000	€	31.12.2099		1,163	0.49
Atos 0%	1,500,000	€	06.11.2024		1,390	0.58
Carrefour 0%	1,600,000	US$	27.03.2024		1,592	0.67
Corporate bonds with no credit rating					**10,387**	**4.36**
BNP Paribas 0%	4,400,000	€	13.05.2025		5,309	2.23
SOITEC 0%	3,085,295	€	01.10.2025		3,505	1.47
SPIE 2%	1,400,000	€	17.01.2028		1,573	0.66
Germany					**8,503**	**3.57**
Corporate bonds with no credit rating					**8,503**	**3.57**
RAG-Stiftung 0%	3,500,000	€	17.06.2026		3,540	1.48

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Germany (continued)						
Corporate bonds with no credit rating (continued)						
Zalando 0.05%	1,200,000	€	06.08.2025		1,160	0.49
Zalando 0.625%	4,300,000	€	06.08.2027		3,803	1.60
Italy					**10,354**	**4.34**
Below investment grade corporate bonds					**9,677**	**4.06**
Nexi 1.75%	1,700,000	€	24.04.2027		1,597	0.67
Prysmian 0%	6,900,000	€	02.02.2026		8,080	3.39
Corporate bonds with no credit rating						
DiaSorin 0%	800,000	€	05.05.2028		**677**	**0.28**
Luxembourg					**3,283**	**1.38**
Corporate bonds with no credit rating					**3,283**	**1.38**
Global Fashion Group 1.25%	2,700,000	€	15.03.2028		2,299	0.97
IWG Group Holdings 0.5%	1,000,000	£	09.12.2027		984	0.41
Netherlands (The)					**15,307**	**6.42**
Below investment grade corporate bonds					**6,677**	**2.80**
STMicroelectronics 0%	1,000,000	US$	04.08.2025		1,273	0.53
STMicroelectronics 0%	4,200,000	US$	04.08.2027		5,404	2.27
Corporate bonds with no credit rating					**8,630**	**3.62**
ELM for Swiss Re 3.25%	2,200,000	US$	13.06.2024		2,379	1.00
Pharming Group 3%	1,200,000	€	21.01.2025		1,230	0.51
QIAGEN 1%	4,600,000	US$	13.11.2024		5,021	2.11
Spain						
Below investment grade corporate bonds						
Cellnex Telecom 0.5%	5,000,000	€	05.07.2028		**5,805**	**2.44**
United States					**85,820**	**36.01**
Investment grade corporate bonds						
BofA Finance 0.6%	2,437,000	US$	25.05.2027		**2,696**	**1.13**
Below investment grade corporate bonds					**9,798**	**4.11**
Live Nation Entertainment 3.125%	2,205,000	US$	15.01.2029		2,153	0.90
ON Semiconductor 0.5%	548,000	US$	01.03.2029		572	0.24

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
United States (continued)						
Below investment grade corporate bonds (continued)						
Southwest Airlines 1.25%	3,536,000	US$	01.05.2025		3,949	1.66
Uber Technologies 7.5%	806,000	US$	15.05.2025		817	0.34
Uber Technologies 8%	2,259,000	US$	01.11.2026		2,307	0.97
Corporate bonds with no credit rating					**73,326**	**30.77**
Airbnb 0%	2,163,000	US$	15.03.2026		1,895	0.80
Akamai Technologies 0.375%	7,593,000	US$	01.09.2027		6,956	2.92
Bentley Systems 0.375%	3,020,000	US$	01.07.2027		2,533	1.06
Box 0%	5,700,000	US$	15.01.2026		6,527	2.74
Citigroup Global Markets Holdings 0%	10,000,000	HK$	26.02.2026		1,231	0.52
Exact Sciences 0.375%	2,423,000	US$	01.03.2028		2,114	0.89
Halozyme Therapeutics 1%	2,872,000	US$	15.08.2028		2,681	1.12
InterDigital 3.5%	1,306,000	US$	01.06.2027		1,456	0.61
JPMorgan Chase Bank 0%	2,400,000	€	18.02.2024		2,799	1.17
JPMorgan Chase Financial 0%	2,300,000	€	14.01.2025		2,646	1.11
JPMorgan Chase Financial 0%	4,500,000	€	29.04.2025		5,452	2.29
Lantheus Holdings 2.625%	3,775,000	US$	15.12.2027		4,829	2.03
Live Nation Entertainment 2%	1,622,000	US$	15.02.2025		1,581	0.66
Livongo Health 0.875%	1,495,000	US$	01.06.2025		1,317	0.55
Lyft 1.5%	3,210,000	US$	15.05.2025		2,834	1.19
MACOM Technology Solutions Holdings 0.25%	4,663,000	US$	15.03.2026		4,866	2.04
MP Materials 0.25%	4,060,000	US$	01.04.2026		3,758	1.58
NextEra Energy Partners 0%	3,132,000	US$	15.11.2025		2,860	1.20
NRG Energy 2.75%	2,038,000	US$	01.06.2048		2,086	0.88
Pacira BioSciences 0.75%	3,074,000	US$	01.08.2025		2,838	1.19
Palo Alto Networks 0.75%	1,043,000	US$	01.07.2023		2,268	0.95
Snap 0.125%	4,327,000	US$	01.03.2028		3,024	1.27
Stride 1.125%	1,816,000	US$	01.09.2027		1,793	0.75
Uber Technologies 0%	1,237,000	US$	15.12.2025		1,085	0.46
Viavi Solutions 1%	534,000	US$	01.03.2024		536	0.22
Workiva 1.125%	985,000	US$	15.08.2026		1,361	0.57

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Japan						
Corporate bonds with no credit rating						
Sosei Group 0.25%	350,000,000	¥	27.07.2026		**3,102**	**1.30**
Australia						
Investment grade corporate bonds						
DEXUS Finance 3.5%	3,500,000	AU$	24.11.2027		**2,426**	**1.02**
China						
Corporate bonds with no credit rating						
Pharmaron Beijing 0%	2,900,000	US$	18.06.2026		**2,566**	**1.08**
India						
Below investment grade corporate bonds						
Bharti Airtel 1.5%	3,312,000	US$	17.02.2025		**4,153**	**1.74**
Taiwan						
Corporate bonds with no credit rating						
Yageo 0%	1,300,000	US$	26.05.2025		**1,442**	**0.60**
Israel					**11,906**	**5.00**
Corporate bonds with no credit rating					**11,906**	**5.00**
CyberArk Software 0%	4,835,000	US$	15.11.2024		5,308	2.23
Nice 0%	4,712,000	US$	15.09.2025		4,546	1.91
Nova 0%	1,425,000	US$	15.10.2025		2,052	0.86
Mauritius						
Corporate bonds with no credit rating						
HTA Group 2.875%	3,200,000	US$	18.03.2027		**2,621**	**1.10**
Bermuda						
Below investment grade corporate bonds						
Jazz Investments I 2%	5,629,000	US$	15.06.2026		**6,218**	**2.61**
British Virgin Islands						
Corporate bonds with no credit rating						
Sail Vantage 0%	31,000,000	HK$	13.01.2027		**3,523**	**1.48**
Cayman Islands					**28,068**	**11.78**
Below investment grade corporate bonds					**7,191**	**3.02**
Longfor Group Holdings 3.85%	1,000,000	US$	13.01.2032		697	0.29

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Cayman Islands (continued)						
Below investment grade corporate bonds (continued)						
Longfor Group Holdings 3.95%	1,935,000	US$	16.09.2029		1,447	0.61
Meituan 0%	6,100,000	US$	27.04.2028		5,047	2.12
Corporate bonds with no credit rating					**20,877**	**8.76**
CIMC Enric Holdings 0%	29,000,000	HK$	30.11.2026		3,593	1.51
ESR Cayman 1.5%	3,794,000	US$	30.09.2025		3,680	1.54
Huazhu Group 3%	3,720,000	US$	01.05.2026		5,006	2.10
Zhongsheng Group Holdings 0%	25,000,000	HK$	21.05.2025		3,658	1.54
ZTO Express Cayman 1.5%	4,628,000	US$	01.09.2027		4,940	2.07
Currency					**(65)**	**(0.03)**
Forward currency contracts						
Bought for ¥ 1,371,000,000.00, Sold for US$ 10,412,914.99			17.05.2023		**(65)**	**(0.03)**
Portfolio of investments					**231,276**	**97.05**
Cash Equivalents					**4,891**	**2.05**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	4,891,000	US$			**4,891**	**2.05**
Share class hedging					**1,007**	**0.43**
Bought for AUD 260,412.03, Sold for € 163,539.01			19.04.2023		(4)	0.00
Bought for AUD 196.01, Sold for US$ 131.77			19.04.2023		0	0.00
Bought for CHF 6,942.37, Sold for AUD 11,510.74			19.04.2023		0	0.00
Bought for CHF 187,484.76, Sold for € 192,171.28			19.04.2023		(5)	0.00
Bought for CHF 22,229.85, Sold for £ 20,242.65			19.04.2023		(1)	0.00
Bought for CHF 37,656.86, Sold for HKD 324,750.52			19.04.2023		0	0.00
Bought for CHF 38,908.09, Sold for ¥ 5,658,836.00			19.04.2023		0	0.00
Bought for CHF 449,005.09, Sold for US$ 494,769.29			19.04.2023		(5)	0.00
Bought for € 1,154,830.88, Sold for AUD 1,862,037.18			19.04.2023		9	0.00
Bought for € 25,166.45, Sold for CHF 25,045.65			19.04.2023		0	0.00
Bought for € 3,674,055.06, Sold for £ 3,253,211.40			19.04.2023		(31)	(0.01)
Bought for € 6,136,106.77, Sold for HKD 51,528,406.21			19.04.2023		106	0.04
Bought for € 6,484,187.52, Sold for ¥ 917,642,514.00			19.04.2023		155	0.07

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Share class hedging (continued)						
Bought for € 72,069,568.18, Sold for US$ 77,290,205.08			19.04.2023		1,118	0.47
Bought for £ 2,038.76, Sold for CHF 2,298.23			19.04.2023		0	0.00
Bought for £ 730,842.51, Sold for € 833,842.85			19.04.2023		(2)	0.00
Bought for £ 38,080.83, Sold for US$ 46,424.27			19.04.2023		1	0.00
Bought for HKD 6,528,431.49, Sold for € 778,788.89			19.04.2023		(14)	(0.01)
Bought for HKD 1,039.84, Sold for US$ 132.77			19.04.2023		0	0.00
Bought for ¥ 133,512,561.00, Sold for € 950,341.66			19.04.2023		(29)	(0.01)
Bought for ¥ 80,299.00, Sold for US$ 613.43			19.04.2023		0	0.00
Bought for US$ 126,783.71, Sold for AUD 190,652.00			19.04.2023		(1)	0.00
Bought for US$ 45,115.24, Sold for CHF 41,563.04			19.04.2023		0	0.00
Bought for US$ 17,928,285.72, Sold for € 16,745,475.02			19.04.2023		(288)	(0.12)
Bought for US$ 409,041.65, Sold for £ 337,822.31			19.04.2023		(8)	0.00
Bought for US$ 683,235.58, Sold for HKD 5,348,522.87			19.04.2023		1	0.00
Bought for US$ 706,919.56, Sold for ¥ 93,287,472.00			19.04.2023		5	0.00
Total portfolio					**237,174**	**99.53**
Net other assets/(liabilities)					1,133	0.47
Net assets					**238,307**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	6,159	2.59
Debt securities	225,182	94.49
Unrealised gains on forward currency contracts	1,395	0.58
Total Investment assets	**232,736**	**97.66**
Investment liabilities		
Unrealised losses on forward currency contracts	(453)	(0.18)
Total Investment liabilities	**(453)**	**(0.18)**
Total portfolio	**232,283**	**97.48**
Cash equivalents	**4,891**	**2.05**
Net other assets/(liabilities)	**1,133**	**0.47**
Net assets	**238,307**	**100.00**

[a] Fair valued.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

M&G (Lux) Global Convertibles Fund

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts US$'000
Merrill Lynch Pierce Fenner + Smith Inc	20,696
State Street Bank and Trust Company	285,322

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-6.5	+4.3	+2.5	+3.6	13.07.07	09.11.18
Class 'A' Distribution	-6.5	+4.3	+2.5	+3.5	12.07.13	09.11.18
Class 'A-H' Accumulation	-9.4	+3.2	-0.8	+2.3	21.05.10	09.11.18
Class 'A-H' Distribution	-9.5	+3.2	-0.7	+1.1	12.07.13	09.11.18
Class 'B' Accumulation	-6.9	+3.8	+2.0	+3.0	26.07.13	09.11.18
Class 'B' Distribution	-6.9	+3.8	+2.0	+1.3	11.09.15	09.11.18
Class 'B-H' Accumulation	-9.9	+2.7	-1.3	+0.4	26.07.13	09.11.18
Class 'B-H' Distribution	-9.9	+2.7	-1.3	-0.5	11.09.15	09.11.18
Class 'C' Accumulation	-5.7	+5.1	+3.2	+4.4	13.07.07	09.11.18
Class 'C' Distribution	-5.8	+5.1	+3.2	+3.9	08.08.14	09.11.18
Class 'C-H' Accumulation	-8.8	+4.0	0.0	+3.2	21.05.10	09.11.18
Class 'C-H' Distribution	-9.2	+3.8	-0.1	+1.1	08.08.14	09.11.18
Class 'CI' Accumulation	-5.7	+5.1	+3.3	+4.4	13.07.07	19.11.18
Class 'CI-H' Accumulation	-9.1	+3.8	-0.1	+3.1	21.05.10	19.11.18

M&G (Lux) Global Convertibles Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Swiss franc						
Class 'A-H' Accumulation	-10.1	+2.8	-1.1	+1.4	28.09.12	09.11.18
Class 'C-H' Accumulation	-9.4	+3.6	-0.4	+2.1	28.09.12	09.11.18
US dollar						
Class 'A-H' Accumulation	-6.5	+5.1	+1.5	+3.4	28.09.12	09.11.18
Class 'A-H' Distribution	-6.5	+5.1	+1.5	+2.2	08.08.14	09.11.18
Class 'C-H' Accumulation	-5.8	+5.9	+2.3	+4.2	28.09.12	09.11.18
Class 'C-H' Distribution	-5.9	+5.9	+2.5	+3.1	08.08.14	09.11.18
Class 'CI-H' Accumulation	-5.7	+5.9	n/a	+3.2	n/a	19.11.18

[a] Sub-fund performance before the launch of the sub-fund on 9 November 2018 is that of the relevant Merged Share Class of the M&G Global Convertibles Fund, which includes UK taxes but excludes entry and exit charges. The M&G Global Convertibles Fund is a UK authorised sub-fund which launched on 13 July 2007 and its non-Sterling share classes merged into M&G (Lux) Global Convertibles Fund on 7 December 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	3,975,128.389	17.5036	18.7110	19.3303
Class 'A' Distribution	458,289.278	15.5214	16.6639	17.2724
Class 'A-H' Accumulation	682,268.715	13.4283	14.8154	16.0066
Class 'A-H' Distribution	231,224.621	11.9551	13.2687	14.3763
Class 'B' Accumulation	637,159.996	13.3096	14.2991	14.8466
Class 'B' Distribution	20,813.289	10.0829	10.8793	11.3334
Class 'B-H' Accumulation	169,599.874	10.4219	11.5725	12.5649
Class 'B-H' Distribution	16,854.525	8.8543	9.8646	10.7524
Class 'C' Accumulation	1,280,694.368	19.6913	20.8911	21.4214
Class 'C' Distribution	612.941	17.4180	18.5605	19.0963
Class 'C-H' Accumulation	4,666,069.234	14.9263	16.3621	17.5446
Class 'C-H' Distribution	191,172.145	13.1400	14.5273	15.6203
Class 'CI' Accumulation	17,922.750	11.5580	12.2596	12.5657
Class 'CI-H' Accumulation	1,004,600.000	10.3676	11.4069	12.2729
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	22,712.808	11.5561	12.8540	13.9016
Class 'C-H' Accumulation	33,286.000	12.4723	13.7692	14.7836
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	601,521.213	14.2136	15.2066	16.2589
Class 'A-H' Distribution	22,189.221	12.8299	13.7829	14.7829
Class 'C-H' Accumulation	214,356.853	15.3803	16.3333	17.3316
Class 'C-H' Distribution	4,972.477	13.7442	14.6703	15.6116
Class 'CI-H' Accumulation	8,080.609	11.4890	12.1895	12.9294

M&G (Lux) Global Convertibles Fund

Financial highlights

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	238,307	376,940	477,003
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**238,307**	**376,940**	**477,003**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.72
Class 'A' Distribution	1.72
Class 'A-H' Accumulation	1.74
Class 'A-H' Distribution	1.74
Class 'B' Accumulation	2.22
Class 'B' Distribution	2.22
Class 'B-H' Accumulation	2.24
Class 'B-H' Distribution	2.24
Class 'C' Accumulation	0.97
Class 'C' Distribution	0.95
Class 'C-H' Accumulation	0.99
Class 'C-H' Distribution	0.99
Class 'CI' Accumulation	0.94
Class 'CI-H' Accumulation	0.95
Swiss franc	**%**
Class 'A-H' Accumulation	1.74
Class 'C-H' Accumulation	0.99
US dollar	**%**
Class 'A-H' Accumulation	1.74
Class 'A-H' Distribution	1.74
Class 'C-H' Accumulation	0.99
Class 'C-H' Distribution	0.99
Class 'CI-H' Accumulation	0.95

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review proved volatile for global fixed income markets, with the majority posting negative returns. The ongoing war in Ukraine exacerbated high food and energy prices, and central banks repeatedly hiked interest rates in efforts to curb inflation.

High interest rates make the fixed payments offered by government and investment grade corporate bonds less competitive. This causes bond yields to rise and their prices to fall. The impact is greater for long-dated bonds, and UK and US government bonds with maturity dates of 15 years or more were particularly weak. Investment grade corporate bonds performed better, but the best returns came from lower-quality, high yield bonds, which offer higher income potential to compensate for greater default risks.

Markets rallied early in 2023 in anticipation that interest rates may be nearing a peak, with China's post-COVID-19 reopening also raising hopes of a return to growth. However, central banks soon turned more hawkish, dampening sentiment, and the collapse of Silicon Valley Bank in the US and the UBS acquisition of Credit Suisse in Europe in March brought turmoil to the banking sector.

Over the review period, the sub-fund primarily held investment grade corporate bonds (85% of the sub-fund at the end of the period). While most paid fixed rates, the sub-fund had a small exposure to floating rate corporate bonds, which performed better as their interest rates can fluctuate depending on market conditions, mitigating the effects of inflation. At period end, 9.5% of the sub-fund was held in government bonds.

The sub-fund is diversified across sectors and geographies, favouring quality banking and utilities companies based in the US, eurozone and UK, with an average credit rating of A-. The largest individual issuers include Morgan Stanley, Bank of America, Tesco and General Electric.

With corporate bonds struggling, the sub-fund delivered negative returns for all share classes over the review 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.

Investment activities

The sub-fund follows a dynamic, diversified investment approach, looking at macroeconomic factors while closely analysing individual bonds and issuers. Given the uncertain economic outlook, we remained defensively positioned, keeping duration slightly shorter than the benchmark. (Duration is a measure of a sub-fund's sensitivity to interest rate changes – the longer the duration, the more sensitive it is.)

We continued to add banks, where we see good value: primary activity (new bond issues) included purchases of Banque Fédérative du Crédit Mutuel, Barclays and US Bancorp. Other additions included chemicals group Celanese and American insurer Metlife. With utilities also offering solid cashflow, we added some defensive credit in companies including American Water.

We sold some riskier cyclical names, preferring companies that we feel can better weather a downturn. In October, we sold some floating rate notes at a high price, freeing up cash. In November, we bought Meta, Facebook's owner, for the first time and this contributed strongly in the final quarter. We kept a close eye on inflation and recession risk throughout, adjusting our exposure to inflation-linked investments as necessary.

Outlook

Looking ahead, we believe expectations around inflation and recession risk will drive market performance. March's banking sector worries seem to be easing and inflation is currently heading in the right direction, which is positive for bonds. However, recession is still possible given that core prices – and central bank rates – remain elevated. In this uncertain environment, we will maintain a balanced and

Investment review

diversified approach, continuing to focus on investment grade bonds where we see good value and solid yields.

Ben Lord
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income					**221,213**	**92.53**
Debt securities					**221,578**	**92.68**
'AAA' credit rated bonds					**4,583**	**1.92**
Kreditanstalt für Wiederaufbau 0%	2,000,000	€	30.06.2023		2,160	0.90
Kreditanstalt für Wiederaufbau 1.375%	1,100,000	£	09.12.2024		1,292	0.54
Microsoft 3.45%	715,000	US$	08.08.2036		659	0.28
Microsoft 3.5%	500,000	US$	12.02.2035		472	0.20
'AA' credit rated bonds					**29,570**	**12.37**
Apple 3.85%	1,400,000	US$	04.05.2043		1,267	0.53
Land Securities Capital Markets 4.875%	658,000	£	15.09.2034		824	0.34
Metropolitan Life Global Funding I 3.75%	974,000	€	05.12.2030		1,044	0.44
Metropolitan Life Global Funding I 4.3%	1,100,000	US$	25.08.2029		1,067	0.45
Metropolitan Life Global Funding I 5.15%	2,000,000	US$	28.03.2033		2,008	0.84
New York Life Global Funding 0.25%	600,000	€	04.10.2028		541	0.23
New York Life Global Funding 3.625%	1,469,000	€	09.01.2030		1,558	0.65
US Treasury Bond 0.125%	6,000,000	US$	15.10.2025		6,692	2.80
US Treasury Bond 0.375%	2,200,000	US$	15.01.2027		2,615	1.09
US Treasury Bond 1.75%	3,000,000	US$	15.08.2041		2,154	0.90
US Treasury Bond 2.25%	4,629,600	US$	15.08.2046		3,458	1.45
US Treasury Bond I/I 1%	1,000,000	US$	15.02.2048		1,065	0.44
US Treasury Note 0.5%	2,975,000	US$	31.05.2027		2,601	1.09
US Treasury Note 3%	3,100,000	US$	15.02.2048		2,676	1.12
'A' credit rated bonds					**44,241**	**18.50**
AstraZeneca 6.45%	1,400,000	US$	15.09.2037		1,635	0.68
Banco Santander FRN	800,000	£	30.08.2028		960	0.40
Bank of America FRN	750,000	US$	06.12.2025		704	0.30
Bank of America FRN	748,000	£	02.06.2029		770	0.32
Bank of America FRN	1,500,000	US$	23.07.2029		1,439	0.60
Bank of America FRN	590,000	US$	07.02.2030		550	0.23
Bank of America FRN	1,000,000	US$	23.07.2031		798	0.33
Bank of America FRN	1,750,000	US$	24.10.2031		1,389	0.58
Banque Fédérative du Crédit Mutuel 0.625%	500,000	€	03.11.2028		447	0.19
Banque Fédérative du Crédit Mutuel 3.125%	400,000	€	14.09.2027		423	0.18

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Banque Fédérative du Crédit Mutuel 4.753%	1,100,000	US$	13.07.2027		1,054	0.44
Booking Holdings 4.5%	244,000	€	15.11.2031		275	0.12
Comcast 3.25%	1,500,000	US$	01.11.2039		1,205	0.50
Comcast 3.4%	1,000,000	US$	01.04.2030		931	0.39
Comcast 3.75%	2,250,000	US$	01.04.2040		1,921	0.80
Crédit Agricole FRN	600,000	€	11.07.2029		651	0.27
East Japan Railway 4.11%	501,000	€	22.02.2043		543	0.23
Entergy Texas 1.75%	2,000,000	US$	15.03.2031		1,607	0.67
Intel 5.2%	600,000	US$	10.02.2033		608	0.25
Intel 5.7%	2,000,000	US$	10.02.2053		2,026	0.85
Japan (Kingdom of) 0.5%	61,950,000	¥	20.12.2040		430	0.18
JPMorgan Chase FRN	1,300,000	US$	01.02.2028		1,239	0.52
JPMorgan Chase FRN	1,500,000	US$	15.10.2030		1,298	0.54
JPMorgan Chase FRN	2,500,000	US$	25.01.2033		2,125	0.89
Meta Platforms 3.85%	3,800,000	US$	15.08.2032		3,541	1.48
Meta Platforms 4.45%	820,000	US$	15.08.2052		712	0.30
Morgan Stanley FRN	2,750,000	US$	10.12.2026		2,445	1.02
Morgan Stanley FRN	800,000	US$	20.04.2028		774	0.32
Morgan Stanley FRN	1,500,000	US$	21.01.2033		1,262	0.53
National Rural Utilities Cooperative Finance 5.8%	1,000,000	US$	15.01.2033		1,063	0.45
NBN 4.375%	1,007,000	€	15.03.2033		1,126	0.47
Philip Morris International 1.875%	2,396,000	€	06.11.2037		1,715	0.72
Philip Morris International 5.625%	667,000	US$	17.11.2029		694	0.29
Prologis International Funding II 3.125%	800,000	€	01.06.2031		745	0.31
Saudi Arabian Oil 1.625%	566,000	US$	24.11.2025		525	0.22
Saudi Arabian Oil 3.25%	920,000	US$	24.11.2050		645	0.27
Siemens Financieringsmaatschappij 3.625%	600,000	€	24.02.2043		632	0.26
Skandinaviska Enskilda Banken 4%	491,000	€	09.11.2026		531	0.22
UBS Group FRN	1,450,000	US$	13.08.2030		1,231	0.52
Union Pacific 2.8%	1,800,000	US$	14.02.2032		1,572	0.66

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds					**135,337**	**56.61**
AbbVie 3.2%	2,300,000	US$	21.11.2029		2,111	0.88
AerCap Ireland Capital Via AerCap Global Aviation Trust 3%	600,000	US$	29.10.2028		519	0.22
AIB Group FRN	637,000	€	23.07.2029		677	0.28
American International Group 5.125%	1,100,000	US$	27.03.2033		1,086	0.45
American Water Capital 2.3%	2,000,000	US$	01.06.2031		1,687	0.71
American Water Capital 6.593%	1,500,000	US$	15.10.2037		1,697	0.71
Amphenol 4.75%	154,000	US$	30.03.2026		154	0.06
Anglo American Capital 3.875%	1,150,000	US$	16.03.2029		1,053	0.44
Anheuser-Busch InBev Worldwide 5.45%	1,385,000	US$	23.01.2039		1,442	0.60
APTIV 3.1%	950,000	US$	01.12.2051		597	0.25
Banco Bilbao Vizcaya Argentaria FRN	1,200,000	US$	14.09.2028		1,216	0.51
Banco Santander FRN	800,000	£	04.10.2032		800	0.33
Bank of Ireland Group FRN	675,000	US$	30.09.2027		585	0.24
Bankinter FRN	400,000	€	23.12.2032		355	0.15
Banque Fédérative du Crédit Mutuel FRN	500,000	€	16.06.2032		519	0.22
Banque Fédérative du Crédit Mutuel 5.125%	300,000	€	13.01.2033		327	0.14
Barclays FRN	1,321,000	€	09.08.2029		1,141	0.48
Barclays FRN	500,000	US$	10.03.2032		394	0.16
Barclays FRN	1,000,000	US$	02.11.2033		1,096	0.46
BAT Capital 2.259%	1,000,000	US$	25.03.2028		853	0.36
BAT International Finance 2.25%	976,000	£	26.06.2028		993	0.42
BAT International Finance 2.25%	4,000,000	£	09.09.2052		2,000	0.84
Bayer Finance II 4.625%	1,000,000	US$	25.06.2038		901	0.38
BNP Paribas FRN	1,000,000	US$	01.03.2033		913	0.38
Boeing 5.705%	1,100,000	US$	01.05.2040		1,103	0.46
BPCE FRN	825,000	US$	19.10.2032		628	0.26
BPCE FRN	400,000	€	25.01.2035		424	0.18
Broadcom 1.95%	266,000	US$	15.02.2028		230	0.10
Broadcom 2.6%	2,000,000	US$	15.02.2033		1,561	0.65
CaixaBank FRN	1,106,000	US$	18.01.2029		1,110	0.46

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
CaixaBank FRN	400,000	€	14.11.2030		447	0.19
CBRE Global Investors Open-Ended Funds 0.5%	650,000	€	27.01.2028		504	0.21
Celanese US Holdings 6.165%	1,000,000	US$	15.07.2027		1,003	0.42
Citigroup FRN	1,500,000	US$	03.06.2031		1,261	0.53
Citigroup FRN	810,000	US$	17.03.2033		726	0.30
Crédit Agricole FRN	1,500,000	US$	10.01.2033		1,353	0.57
Crédit Agricole 3.25%	630,000	US$	14.01.2030		528	0.22
Credit Suisse 7.75%	651,000	£	10.03.2026		833	0.35
Credit Suisse Group FRN	600,000	€	14.01.2028		541	0.23
Deutsche Bank FRN	900,000	£	24.06.2026		1,044	0.44
Dominion Energy 2.25%	500,000	US$	15.08.2031		409	0.17
Dominion Energy 3.375%	1,600,000	US$	01.04.2030		1,440	0.60
Dominion Energy 5.375%	1,500,000	US$	15.11.2032		1,526	0.64
Duke Energy 3.85%	1,450,000	€	15.06.2034		1,471	0.62
E.ON International Finance 4.75%	500,000	£	31.01.2034		584	0.24
Électricité de France 4.625%	500,000	€	25.01.2043		512	0.21
Électricité de France 4.95%	1,020,000	US$	13.10.2045		869	0.36
Électricité de France 5.5%	900,000	£	25.01.2035		1,058	0.44
Elevance Health 4.625%	600,000	US$	15.05.2042		556	0.23
EnBW International Finance 1.875%	2,600,000	€	31.10.2033		2,350	0.98
EnBW International Finance 4%	594,000	€	24.01.2035		640	0.27
Enel Finance International 7.5%	883,000	US$	14.10.2032		980	0.41
Enel Finance International 7.75%	2,000,000	US$	14.10.2052		2,326	0.97
Energy Transfer Operating 3.75%	1,000,000	US$	15.05.2030		906	0.38
Engie 3.625%	1,100,000	€	11.01.2030		1,188	0.50
Essential Utilities 2.704%	4,250,000	US$	15.04.2030		3,647	1.53
Essential Utilities 5.3%	1,150,000	US$	01.05.2052		1,107	0.46
Eversource Energy 3.375%	2,450,000	US$	01.03.2032		2,185	0.91
Eversource Energy 5.45%	520,000	US$	01.03.2028		538	0.23
General Electric FRN	3,000,000	US$	05.05.2026		2,983	1.25

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
General Electric 6.75%	1,800,000	US$	15.03.2032		2,057	0.86
Georgia Power 4.3%	1,000,000	US$	15.03.2042		876	0.37
Goldman Sachs Group FRN	923,000	US$	24.02.2028		901	0.38
Goldman Sachs Group 4%	300,000	€	21.09.2029		320	0.13
Hammerson 3.5%	768,000	£	27.10.2025		835	0.35
Harley-Davidson Financial Services 5.125%	202,000	€	05.04.2026		220	0.09
HCA 4.375%	1,500,000	US$	15.03.2042		1,252	0.52
HCA 5.125%	340,000	US$	15.06.2039		314	0.13
Hiscox 6%	360,000	£	22.09.2027		452	0.19
Holding d'Infrastructures et des Métiers de l'Environnement 0.125%	400,000	€	16.09.2025		393	0.16
HSBC Holdings FRN	806,000	£	16.11.2034		1,050	0.44
Imperial Brands Finance 3.875%	2,000,000	US$	26.07.2029		1,791	0.75
ING Groep FRN	210,000	US$	28.03.2033		191	0.08
Intesa Sanpaolo 4%	1,940,000	US$	23.09.2029		1,650	0.69
JBS USA LUX SA Via JBS USA Food Via JBS USA Finance 3.625%	768,000	US$	15.01.2032		629	0.26
JBS USA LUX SA Via JBS USA Food Via JBS USA Finance 5.125%	1,150,000	US$	01.02.2028		1,117	0.47
JBS USA LUX SA Via JBS USA Food Via JBS USA Finance 5.75%	1,100,000	US$	01.04.2033		1,051	0.44
KBC Group FRN	625,000	US$	19.01.2029		627	0.26
KeySpan Gas East 5.994%	2,000,000	US$	06.03.2033		2,059	0.86
Lloyds Banking Group FRN	850,000	£	15.01.2026		980	0.41
Lloyds Banking Group FRN	2,500,000	US$	11.05.2027		2,196	0.92
Lowe's 2.8%	1,000,000	US$	15.09.2041		705	0.29
Lowe's 4.25%	378,000	US$	01.04.2052		309	0.13
Magallanes 4.279%	500,000	US$	15.03.2032		444	0.19
Magallanes 5.05%	1,200,000	US$	15.03.2042		995	0.42
Magallanes 5.141%	772,000	US$	15.03.2052		620	0.26
Magallanes 5.391%	614,000	US$	15.03.2062		492	0.21
McDonald's 4.875%	700,000	US$	09.12.2045		675	0.28

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Metropolitan Edison 5.2%	94,000	US$	01.04.2028		94	0.04
Morgan Stanley FRN	1,250,000	US$	19.01.2038		1,234	0.52
National Australia Bank FRN	906,000	US$	12.01.2037		728	0.30
National Gas Transmission 5.75%	256,000	£	05.04.2035		317	0.13
National Grid Electricity Transmission 1.375%	600,000	£	16.09.2026		663	0.28
National Grid Electricity Transmission 2%	1,000,000	£	16.09.2038		802	0.34
Nationwide Building Society FRN	534,000	£	07.12.2027		669	0.28
Nationwide Building Society FRN	2,000,000	US$	16.02.2028		1,935	0.81
Nationwide Building Society FRN	1,233,000	US$	08.03.2029		1,133	0.47
NatWest Group FRN	645,000	£	29.03.2029		720	0.30
NatWest Group FRN	1,000,000	US$	18.05.2029		953	0.40
NextEra Energy Capital Holdings 2.25%	500,000	US$	01.06.2030		421	0.18
NextEra Energy Capital Holdings 6.051%	714,000	US$	01.03.2025		725	0.30
Oglethorpe Power 5.05%	2,250,000	US$	01.10.2048		2,036	0.85
Oracle 3.65%	3,000,000	US$	25.03.2041		2,302	0.96
Oracle 5.55%	295,000	US$	06.02.2053		279	0.12
Pennsylvania Electric 5.15%	145,000	US$	30.03.2026		145	0.06
Prosus 1.288%	912,000	€	13.07.2029		757	0.32
PVH 4.625%	1,000,000	US$	10.07.2025		977	0.41
Raiffeisen Bank International FRN	400,000	€	20.12.2032		418	0.17
RWE 3.625%	455,000	€	13.02.2029		490	0.20
Ryder System 4.3%	153,000	US$	15.06.2027		150	0.06
Santander UK Group Holdings FRN	1,000,000	US$	15.03.2025		948	0.40
Santander UK Group Holdings FRN	1,308,000	£	17.01.2029		1,383	0.58
Severn Trent Utilities Finance 5.25%	388,000	£	04.04.2036		476	0.20
Société Générale FRN	750,000	US$	21.01.2033		600	0.25
Société Générale FRN	1,000,000	US$	08.07.2035		782	0.33
Southern 5.7%	500,000	US$	15.10.2032		524	0.22
Southern California Edison 2.85%	350,000	US$	01.08.2029		313	0.13
Southern California Edison 4.7%	635,000	US$	01.06.2027		636	0.27

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Swedbank FRN	500,000	£	15.11.2032		633	0.26
Tesco 3.322%	2,082,000	£	05.11.2025		5,363	2.24
Thames Water Utilities Finance 4.375%	641,000	€	18.01.2031		695	0.29
T-Mobile 3.5%	1,000,000	US$	15.04.2031		896	0.37
Tritax EuroBox 0.95%	397,000	€	02.06.2026		361	0.15
UniCredit FRN	425,000	€	15.11.2027		471	0.20
UniCredit FRN	1,100,000	€	17.01.2029		1,202	0.50
Verizon Communications 2.55%	2,000,000	US$	21.03.2031		1,693	0.71
Verizon Communications 2.65%	500,000	US$	20.11.2040		354	0.15
Verizon Communications 3.15%	830,000	US$	22.03.2030		753	0.32
Vonovia 1.625%	300,000	€	01.09.2051		149	0.06
Waste Connections 2.2%	3,500,000	US$	15.01.2032		2,864	1.20
Wells Fargo FRN	950,000	US$	30.04.2026		889	0.37
Wells Fargo FRN	1,500,000	US$	11.02.2031		1,267	0.53
Wells Fargo FRN	370,000	US$	04.04.2031		353	0.15
Wells Fargo FRN	1,900,000	US$	02.03.2033		1,639	0.69
Wessex Water Services Finance 5.125%	483,000	£	31.10.2032		585	0.24
Westpac Banking FRN	949,000	US$	18.11.2036		738	0.31
Weyerhaeuser 3.375%	1,000,000	US$	09.03.2033		874	0.37
Whitbread Group 2.375%	312,000	£	31.05.2027		333	0.14
Yorkshire Water Finance 5.25%	589,000	£	28.04.2030		727	0.30
'BB' credit rated bonds					**7,847**	**3.28**
Banco de Sabadell FRN	1,000,000	€	16.06.2028		883	0.37
Charter Communications Operating Via Charter Communications Operating Capital 2.3%	2,000,000	US$	01.02.2032		1,516	0.63
Charter Communications Operating Via Charter Communications Operating Capital 2.8%	1,700,000	US$	01.04.2031		1,364	0.57
Charter Communications Operating Via Charter Communications Operating Capital 5.25%	1,036,000	US$	01.04.2053		834	0.35
Intesa Sanpaolo 8.505%	785,000	£	20.09.2032		955	0.40
NatWest Group FRN	550,000	£	14.08.2030		630	0.26

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
NatWest Group FRN	499,000	£	28.11.2031		520	0.22
NatWest Group FRN	900,000	US$	28.11.2035		684	0.29
Teva Pharmaceutical Finance Netherlands III 7.875%	442,000	US$	15.09.2029		461	0.19
Debt derivatives					**(365)**	**(0.15)**
Credit default swaps					**(13)**	**(0.01)**
America Movil Dec 2023	100,000	US$			1	0.00
America Movil Dec 2025	3,300,000	US$			16	0.01
Boeing Jun 2025	200,000	US$			1	0.00
British American Tobacco Dec 2026	2,500,000	€			(14)	(0.01)
Deutsche Bank Jun 2026	1,100,000	€			23	0.01
Markit CDX North American Investment Grade Series 39 5 Year Dec 2027	6,000,000	US$			(66)	(0.03)
Markit iTraxx Europe Series 38 5 Year Dec 2027	3,000,000	€			26	0.01
Interest rate swaps					**230**	**0.10**
Pay 1.3177% Receive Var. Mar 2027	4,000,000	£			482	0.20
Pay Var. Receive 3.1968% Oct 2027	4,200,000	€			26	0.01
Pay Var. Receive 2.7048% Nov 2027	4,500,000	€			(90)	(0.04)
Pay Var. Receive 4.0356% Mar 2028	4,200,000	£			39	0.02
Pay Var. Receive 3.3558% Mar 2028	2,100,000	£			(58)	(0.02)
Pay 2.0547% Receive Var. Apr 2029	1,250,000	£			142	0.06
Pay Var. Receive 3.2823% Oct 2032	1,150,000	€			30	0.01
Pay Var. Receive 2.6733% Nov 2032	1,200,000	€			(39)	(0.02)
Pay 3.3987% Receive Var. Oct 2052	2,400,000	US$			(157)	(0.06)
Pay 3.4927% Receive Var. Feb 2053	1,350,000	£			(65)	(0.03)
Pay 3.6267% Receive Var. Mar 2053	1,000,000	£			(80)	(0.03)
Interest rate futures					**(582)**	**(0.24)**
Deutscher Bobl 5 year Futures	38	€	08.06.2023	41	(119)	(0.05)
Deutscher Bund 10 year Futures	1	€	08.06.2023	1	(2)	0.00
Deutscher Buxl 30 year Futures	(13)	€	08.06.2023	11	(119)	(0.05)
Deutscher Schatz 2 year Futures	(139)	€	08.06.2023	150	(84)	(0.04)

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt derivatives (continued)						
Interest rate futures (continued)						
Canada Goverment Bonds 10 year Futures	62	CA$	21.06.2023	41	189	0.08
US Treasury Notes 10 year Futures	(230)	US$	21.06.2023	241	(860)	(0.36)
US Treasury Notes 10 year Futures	2	US$	21.06.2023	2	7	0.00
US Treasury Notes 30 year Futures	10	US$	21.06.2023	11	48	0.02
US Ultra Bond Futures	10	US$	21.06.2023	9	(35)	(0.01)
UK Treasury Notes Futures	(26)	£	28.06.2023	34	(75)	(0.03)
US Treasury Notes 2 year Futures	157	US$	30.06.2023	312	204	0.09
US Treasury Notes 5 year Futures	164	US$	30.06.2023	167	264	0.11
Currency					**(961)**	**(0.41)**
Forward currency contracts					**(961)**	**(0.41)**
Bought for € 1,370,975.43, Sold for US$ 1,487,932.92			26.04.2023		4	0.00
Bought for £ 1,503,627.97, Sold for US$ 1,840,948.74			26.04.2023		21	0.01
Bought for US$ 31,167,240.14, Sold for € 29,174,596.00			26.04.2023		(586)	(0.25)
Bought for US$ 30,743,660.99, Sold for £ 25,153,762.90			26.04.2023		(400)	(0.17)
Portfolio of investments					**220,252**	**92.12**
Cash equivalents					**6,141**	**2.57**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	6,141,000	US$			**6,141**	**2.57**
Share class hedging					**4,602**	**1.93**
Bought for CHF 47,888.14, Sold for US$ 52,811.71			19.04.2023		0	0.00
Bought for € 58,928,400.01, Sold for US$ 63,186,523.00			19.04.2023		925	0.39
Bought for £ 138,160,933.37, Sold for US$ 167,308,562.12			19.04.2023		3,725	1.56
Bought for US$ 536.45, Sold for CHF 488.25			19.04.2023		0	0.00
Bought for US$ 1,385,401.42, Sold for € 1,291,434.70			19.04.2023		(20)	(0.01)
Bought for US$ 1,706,602.70, Sold for £ 1,401,181.55			19.04.2023		(28)	(0.01)
Total portfolio					**230,995**	**96.62**
Net other assets/(liabilities)					8,087	3.38
Net assets					**239,082**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Debt securities	221,578	92.68
Swap contracts	786	0.33
Unrealised gains on futures contracts	712	0.30
Unrealised gains on forward currency contracts	4,675	1.96
Total Investment assets	**227,751**	**95.27**
Investment liabilities		
Swap contracts	(569)	(0.24)
Unrealised losses on futures contracts	(1,294)	(0.54)
Unrealised losses on forward currency contracts	(1,034)	(0.44)
Total Investment liabilities	**(2,897)**	**(1.22)**
Total portfolio	**224,854**	**94.05**
Cash equivalents	**6,141**	**2.57**
Net other assets/(liabilities)	**8,087**	**3.38**
Net assets	**239,082**	**100.00**

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures				
	Swaps US$'000	Forward currency contracts US$'000	Futures US$'000	Collateral held as cash US$'000	Collateral held as security US$'000
Bank of America Merrill Lynch	0	0	1,020	0	0
Barclays Bank London	750,154	62,217	0	4,906	532
BNP Paribas	3,400	0	0	0	0
Citigroup Global Markets Limited	270,313	0	0	0	14
Deutsche Bank AG	0	1,217	0	0	0
HSBC Bank Plc	0	2,209	0	0	0
JP Morgan London	200	664	0	0	0
Merrill Lynch Pierce Fenner + Smith Inc	0	3,254	0	0	0
Standard Chartered Bank	0	61,873	0	0	570
State Street Bank and Trust Company	0	471,870	0	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A-H' Accumulation	-7.8	-1.4	-0.2	+1.3	05.09.13	07.12.18
Class 'A-H' Distribution	-7.7	-1.4	-0.2	+1.4	05.09.13	07.12.18
Class 'C-H' Accumulation	-7.3	-0.9	+0.3	+1.8	05.09.13	07.12.18
Class 'C-H' Distribution	-7.4	-0.9	+0.3	+1.8	05.09.13	07.12.18
Class 'CI-H' Accumulation	-7.4	-0.9	+0.3	+1.8	05.09.13	17.12.18
Sterling						
Class 'CI-H' Distribution	-5.9	n/a	n/a	-1.5	n/a	15.05.20
Swiss franc						
Class 'A-H' Accumulation	-8.4	-1.8	-0.6	+0.8	05.09.13	07.12.18
Class 'C-H' Accumulation	-8.0	-1.4	-0.1	+1.3	05.09.13	07.12.18

M&G (Lux) Global Corporate Bond Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A' Accumulation	-4.9	+0.3	+2.1	+3.0	05.09.13	07.12.18
Class 'A' Distribution	-4.9	+0.3	+2.1	+2.4	08.08.14	07.12.18
Class 'C' Accumulation	-4.5	+0.7	+2.5	+3.5	05.09.13	07.12.18
Class 'C' Distribution	-4.5	+0.7	+2.6	+2.9	08.08.14	07.12.18
Class 'CI' Accumulation	-4.5	+0.8	+2.6	+3.5	05.09.13	17.12.18

[a] Sub-fund performance before the launch of the sub-fund on 7 December 2018 is that of the relevant Merged Share Class of the M&G Global Corporate Bond Fund, which includes UK taxes but excludes entry and exit charges. The M&G Global Corporate Bond Fund is a UK authorised sub-fund which launched on 5 September 2013 and its non-Sterling share classes merged into M&G (Lux) Global Corporate Bond Fund on 7 December 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A-H' Accumulation	2,068,907.778	11.3544	12.3110	12.8741
Class 'A-H' Distribution	1,948,674.654	9.0885	10.0949	10.7268
Class 'C-H' Accumulation	482,006.046	11.8915	12.8290	13.3544
Class 'C-H' Distribution	461,998.751	9.3486	10.3457	10.9383
Class 'CI-H' Accumulation	604,336.345	10.3830	11.2086	11.6652
Sterling		**£**	**£**	**£**
Class 'CI-H' Distribution	15,004,600.000	9.0932	9.9094	10.3968
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,163.449	10.8198	11.8133	12.3854
Class 'C-H' Accumulation	2,106.631	11.3622	12.3561	12.8942
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	294,311.252	13.2762	13.9601	14.4671
Class 'A' Distribution	119,696.156	10.7496	11.5845	12.1949
Class 'C' Accumulation	61,454.216	13.9163	14.5764	15.0319
Class 'C' Distribution	1,663.058	11.1395	11.9558	12.5256
Class 'CI' Accumulation	138,751.575	11.3653	11.8986	12.2666

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	239,082	271,452	314,387
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**239,082**	**271,452**	**314,387**

M&G (Lux) Global Corporate Bond Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A-H' Accumulation	0.90
Class 'A-H' Distribution	0.91
Class 'C-H' Accumulation	0.51
Class 'C-H' Distribution	0.48
Class 'CI-H' Accumulation	0.46
Sterling	**%**
Class 'CI-H' Distribution	0.46
Swiss franc	**%**
Class 'A-H' Accumulation	0.88
Class 'C-H' Accumulation	0.48
US dollar	**%**
Class 'A' Accumulation	0.88
Class 'A' Distribution	0.88
Class 'C' Accumulation	0.49
Class 'C' Distribution	0.47
Class 'CI' Accumulation	0.44

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The sub-fund outperformed the MSCI ACWI Net Return Index. Stock selection was the key driver of excess return, with the strongest contribution from technology and consumer staples. Sector allocation benefited from overweight positions relative to the benchmark in energy and consumer staples.

Analog Devices led the gains in technology as the semiconductor company reported better-than-expected results. Broadcom and KLA Corp also outperformed in semiconductors, backed by solid fundamentals.

Imperial Brands made the biggest positive contribution to sub-fund performance as defensive characteristics were highly prized in an environment of extreme uncertainty. Takeda Pharmaceutical rose in healthcare.

Trinseo provided the biggest drag on sub-fund performance after the specialist in plastics and latex binders reduced its guidance. The operating environment is clearly challenging, but the share price reflects a lot of bad news, in our view. We continue to believe that the shares are significantly undervalued.

Methanex, by contrast, underperformed due to the weakness of the shares in the first half of the review period. Concerns about a recession weighed heavily on economically sensitive stocks at the time, but the shares rallied strongly in the second half, backed by solid operating results. We remain optimistic about the methanol producer and its prospects for cash generation in the current environment.

VF Corp and Adidas fell as the consumer discretionary stocks bore the brunt of tough trading conditions.

Investment activities

We made six new purchases and six complete sales during the 12 months under review. The new holdings were dominated by high-yield opportunities which were presented by the market downturn – opportunities for quality businesses which are market leaders in their field.

Kone, a world leader in elevators and escalators, was purchased on a starting yield of 4.2%, which is attractive, in our view, given the high proportion of recurring service revenue. JPMorgan Chase, the US bank with a robust balance sheet, and Roche, the Swiss pharmaceutical company, were purchased on similar yields.

We bought DBS Group in March following the turmoil in the banking industry. The Singaporean bank is conservatively managed and the valuation was compelling across a variety of measures, including a 5% dividend yield. The sub-fund remains underweight relative to the benchmark in banks.

Richemont, the luxury goods company, was added to the portfolio after a sharp selloff in the consumer discretionary sector. Richemont's financial strength is unrivalled with net cash on the balance sheet, and the business remains well placed for a resumption in Chinese travel.

Volvo was the final purchase during the review period. The world leader in trucks and electric trucks benefits from the stability of service and maintenance revenue, as well as a strong balance sheet with a net cash position. The stock was purchased on a starting yield of 3.4%.

In addition we gained a new holding in Accelleron Industries following its spin off from ABB. We bought more stock to build a full position.

We took advantage of the weakness in the technology sector to add to our semiconductor holdings including Broadcom and ASML. The sub-fund's technology weighting increased from 15% to 18%. We reduced Methanex into strength in the second half of the review period and trimmed KLA Corp to manage the position size.

S&P Global (financials), AstraZeneca (healthcare), Automatic Data Processing (technology), Charles Schwab (financials) and Walmart (consumer staples) were sold as a source of cash given the better valuation opportunities we saw elsewhere.

Investment review

We completed the sale of Imperial Brands (consumer staples) in November, having taken steps to exit the position because of sustainability considerations. The tobacco stock's impressive gains in 2022 presented the ideal opportunity.

Outlook

We remain resolutely focused on dividend growth as a compelling strategy over the long term, without losing sight of the reality that the global economy faces challenging times ahead. Dividend cuts will be inevitable for companies not equipped with the financial armoury to withstand a cyclical downturn. Balance sheet strength is a key consideration in our company research to ensure that dividends are sustainable in the current climate. We take comfort from the fact that many of our holdings are carrying net cash.

Despite the difficult macroeconomic backdrop, valuations in some areas of the stockmarket are looking attractive. Fears of a recession, which have been exacerbated by recent concerns about the stability of the banking system, have led to indiscriminate selling. The severity of the declines is creating favourable entry points, in our view, for some world class companies with rock-solid balance sheets and excellent long-term growth potential. Being selective will be paramount. Capitalising on what we believe to be exceptional opportunities will ultimately determine sub-fund performance in the years to come and we remain optimistic about the future.

Stuart Rhodes
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 22 December 2022, the sub-fund was 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. From 22 December 2022, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**3,243,187**	**95.63**
United Kingdom					**157,178**	**4.64**
Abrdn	44,407,987	£			111,315	3.28
Unilever	876,417	£			45,863	1.36
Denmark						
Pandora	735,639	DKK			**69,236**	**2.04**
Finland						
Kone 'B'	2,020,835	€			**105,246**	**3.10**
Germany					**146,523**	**4.32**
adidas	238,857	€			41,380	1.22
Siemens	649,978	€			105,143	3.10
Ireland						
Medtronic	888,572	US$			**70,453**	**2.08**
Netherlands (The)						
ASML Holding	89,624	€			**60,355**	**1.78**
Norway						
Prosafe	3,849	NOK			**57**	**0.00**
Sweden						
Volvo 'B'	841,182	SEK			**17,181**	**0.51**
Switzerland					**384,423**	**11.34**
ABB	2,832,260	CHF			96,451	2.85
Accelleron Industries	813,163	CHF			19,055	0.56
Cie Financiere Richemont	418,515	CHF			66,506	1.96
Novartis	1,359,929	CHF			124,736	3.68
Roche Holding	273,287	CHF			77,675	2.29
United States					**1,179,497**	**34.78**
Analog Devices	590,102	US$			114,930	3.39
BlackRock	60,479	US$			40,018	1.18
Bristol-Myers Squibb	1,566,218	US$			106,881	3.15
Broadcom	265,523	US$			168,535	4.97
Coca-Cola	1,137,770	US$			70,360	2.07
Colgate-Palmolive	474,753	US$			35,741	1.05
Elevance Health	106,057	US$			48,769	1.44

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
United States (continued)						
JPMorgan Chase	329,116	US$			42,387	1.25
KLA	153,534	US$			61,053	1.80
Lowe's	293,598	US$			56,701	1.67
Marsh & McLennan	348,764	US$			57,580	1.70
Microsoft	557,167	US$			158,722	4.68
PepsiCo	289,589	US$			52,442	1.55
Trinseo	2,834,120	US$			58,568	1.73
VF	2,243,808	US$			49,952	1.47
Visa 'A'	255,266	US$			56,858	1.68
Canada					**613,650**	**18.09**
Gibson Energy	8,145,245	CA$			129,524	3.82
Intact Financial	308,554	CA$			43,768	1.29
Keyera	5,934,119	CA$			128,847	3.80
Lundin Mining	9,223,356	CA$			61,020	1.80
Methanex	5,458,610	US$			250,491	7.38
Japan						
Takeda Pharmaceutical	3,781,000	¥			**123,502**	**3.64**
Australia					**169,689**	**5.00**
Amcor	9,126,919	AU$			101,892	3.00
Treasury Wine Estates	7,755,462	AU$			67,797	2.00
Hong Kong						
AIA Group	4,357,400	HK$			**45,969**	**1.36**
Singapore						
DBS Group Holdings	1,066,900	SG$			**26,487**	**0.78**
Taiwan						
Taiwan Semiconductor Manufacturing	2,734,000	TW$			**47,905**	**1.41**
South Africa						
Motus Holdings	4,745,983	ZAR			**25,836**	**0.76**
Currency					**1**	**0.00**
Forward currency contracts					**1**	**0.00**
Bought for US$ 1,374.22, Sold for ZAR 25,085.86			19.04.2023		0	0.00

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Currency (continued)						
Forward currency contracts (continued)						
Bought for ZAR 825,414.84, Sold for US$ 45,299.20			19.04.2023		1	0.00
Portfolio of investments					**3,243,188**	**95.63**
Cash equivalents					**138,802**	**4.09**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	138,802,000	US$			**138,802**	**4.09**
Total portfolio					**3,381,990**	**99.72**
Net other assets/(liabilities)					9,614	0.28
Net assets					**3,391,604**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	3,243,187	95.63
Unrealised gains on forward currency contracts	1	0.00
Total Investment assets	**3,243,188**	**95.63**
Total portfolio	**3,243,188**	**95.63**
Cash equivalents	**138,802**	**4.09**
Net other assets/(liabilities)	**9,614**	**0.28**
Net assets	**3,391,604**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts US$'000
State Street Bank and Trust Company	94

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-3.1	+20.0	+9.3	+9.3	18.07.08	20.09.18
Class 'A' Distribution	-3.1	+20.0	+9.3	+7.8	12.07.13	20.09.18
Class 'C' Accumulation	-2.1	+21.2	+10.4	+10.3	18.07.08	20.09.18
Class 'C' Distribution	-2.1	+21.2	+10.4	+9.1	08.08.14	20.09.18
Class 'CI' Accumulation	-2.0	+21.3	+10.4	+10.4	18.07.08	20.09.18
Class 'CI' Distribution	-2.1	+21.2	+10.4	+9.1	08.08.14	20.09.18
Class 'G' Accumulation	-2.3	+20.9	+10.1	+8.7	21.07.17	20.09.18
Class 'J' Accumulation	-1.9	n/a	n/a	+7.6	n/a	16.03.21
Class 'J' Distribution	-2.0	n/a	n/a	+7.5	n/a	16.03.21
Class 'JI' Accumulation	-1.9	n/a	n/a	+7.6	n/a	16.03.21
Class 'JI' Distribution	-1.9	n/a	n/a	+7.6	n/a	16.03.21

M&G (Lux) Global Dividend Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Singapore dollar						
Class 'A' Accumulation	-6.7	+17.0	+6.9	+6.9	16.01.15	20.09.18
Class 'A' Distribution	-6.7	+17.0	+6.9	+6.9	16.01.15	20.09.18
Class 'C' Accumulation	-5.8	+18.2	+7.9	+8.0	16.01.15	20.09.18
Class 'C' Distribution	-5.8	+18.2	+7.9	+8.0	16.01.15	20.09.18
South African rand						
Class 'A-H' Accumulation	n/a	n/a	n/a	+4.5	n/a	24.05.22
Class 'X-H' Accumulation	n/a	n/a	n/a	+3.6	n/a	24.05.22
Sterling						
Class 'C' Accumulation	+1.7	+20.9	n/a	+9.9	n/a	22.02.19
Class 'C' Distribution	+1.7	+20.9	n/a	+9.9	n/a	22.02.19
Class 'CI' Accumulation	+1.8	+20.9	n/a	+10.3	n/a	14.03.19
Class 'CI' Distribution	+1.8	+20.9	n/a	+10.3	n/a	14.03.19
US dollar						
Class 'A' Accumulation	-5.0	+19.7	+6.6	+6.5	18.07.08	20.09.18
Class 'A' Distribution	-5.0	+19.7	+6.6	+5.4	08.08.14	20.09.18
Class 'C' Accumulation	-4.1	+20.9	+7.6	+7.6	18.07.08	20.09.18
Class 'C' Distribution	-4.1	+20.9	+7.6	+6.5	08.08.14	20.09.18
Class 'CI' Accumulation	-4.0	+21.0	+7.7	+7.6	18.07.08	20.09.18
Class 'X' Accumulation	n/a	n/a	n/a	-6.4	n/a	21.04.22

[a] Sub-fund performance before the launch of the sub-fund on 18 September 2018 is that of the relevant Merged Share Class of the M&G Global Dividend Fund, which includes UK taxes but excludes entry and exit charges. The M&G Global Dividend Fund is a UK authorised sub-fund which launched on 18 July 2008 and its non-Sterling share classes merged into M&G (Lux) Global Dividend Fund on 7 December 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	105,687,999.255	13.9200	14.3598	12.2695
Class 'A' Distribution	20,220,491.796	12.2495	12.9735	11.3901
Class 'C' Accumulation	23,355,019.888	14.5665	14.8772	12.5854
Class 'C' Distribution	3,793,877.971	12.8162	13.4381	11.6799
Class 'CI' Accumulation	17,832,613.672	14.5965	14.9015	12.6007
Class 'CI' Distribution	338,206.719	12.8216	13.4387	11.6780
Class 'G' Accumulation	1,997.269	14.4079	14.7511	12.5087
Class 'J' Accumulation	10,689,656.757	11.6013	11.8314	9.9932
Class 'J' Distribution	693,306.936	11.0563	11.5788	9.9932
Class 'JI' Accumulation	36,012,922.284	11.6118	11.8370	9.9941
Class 'JI' Distribution	1,289,476.679	11.0678	11.5842	9.9941
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A' Accumulation	19,888.913	12.5616	13.4640	12.0828
Class 'A' Distribution	2,008.542	11.0540	12.1716	11.2162
Class 'C' Accumulation	2,010.391	13.1475	13.9510	12.3947
Class 'C' Distribution	27,148.826	11.5668	12.6093	11.5046
South African rand		**ZAR**	**ZAR**	**ZAR**
Class 'A-H' Accumulation	2,566.734	156.6754	n/a	n/a
Class 'X-H' Accumulation	2,566.667	155.3613	n/a	n/a
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	13,992.605	14.7070	14.4561	12.3337
Class 'C' Distribution	249,728.666	13.2126	13.3296	11.6869
Class 'CI' Accumulation	9,714.931	14.8849	14.6245	12.4724
Class 'CI' Distribution	239,690.151	13.2454	13.3574	11.7070

Financial highlights

	Shares outstanding as at 31.03.23	31.03.23	NAV per share 31.03.22	31.03.21
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	8,420,732.389	12.9134	13.5969	12.2871
Class 'A' Distribution	1,054,688.146	11.3623	12.2870	11.4064
Class 'C' Accumulation	2,371,534.584	13.5159	14.0888	12.6031
Class 'C' Distribution	1,569,341.115	11.8916	12.7312	11.7013
Class 'CI' Accumulation	1,411,644.736	13.5390	14.1086	12.6179
Class 'X' Accumulation	1,000.000	9.3593	n/a	n/a

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	3,391,604	2,898,315	2,312,957
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**3,391,604**	**2,898,315**	**2,312,957**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.91
Class 'A' Distribution	1.91
Class 'C' Accumulation	0.91
Class 'C' Distribution	0.91
Class 'CI' Accumulation	0.87
Class 'CI' Distribution	0.87
Class 'G' Accumulation	1.16
Class 'J' Accumulation	0.76
Class 'J' Distribution	0.77
Class 'JI' Accumulation	0.72
Class 'JI' Distribution	0.72
Singapore dollar	**%**
Class 'A' Accumulation	1.91
Class 'A' Distribution	1.91
Class 'C' Accumulation	0.91
Class 'C' Distribution	0.91
South African rand	**%**
Class 'A-H' Accumulation	1.94
Class 'X-H' Accumulation	2.94

M&G (Lux) Global Dividend Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Sterling	**%**
Class 'C' Accumulation	0.92
Class 'C' Distribution	0.91
Class 'CI' Accumulation	0.87
Class 'CI' Distribution	0.87
US dollar	**%**
Class 'A' Accumulation	1.91
Class 'A' Distribution	1.91
Class 'C' Accumulation	0.91
Class 'C' Distribution	0.92
Class 'CI' Accumulation	0.87
Class 'X' Accumulation	2.92

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

Over the 12-month review period, sub-fund performance was broadly flat.

The review period was characterised by volatility across global financial markets, resulting in a material negative return for emerging markets. Russia's invasion of Ukraine in February 2022 (just before the start of the review period), led to higher commodity prices and an energy supply-chain crisis in Europe and compounded the woes of a global economy still struggling to recover from the effects of the pandemic. Major central banks around the world were forced to increase their interest rates aggressively in order to curb raging inflation. Amid an uncertain global economic outlook, there was a flight of capital from emerging markets which was exacerbated by a stronger US dollar.

The period ended on a more positive note, as emerging markets equities began to recover in late 2022, supported by optimism around China's relaxation of its zero-COVID-19 policy. January 2023 was a strong month for the asset class, amid signs of moderating inflation and optimism that central banks were nearing the end of their rate hiking cycle.

Gains from stock selection in financials, technology and consumer discretionary contributed to relative performance. Security selection in China also proved beneficial.

Our position in South Africa-based Naspers was a key contributor as was Mexican real-estate firm Fibra Uno (Mexico was one of the better performing stockmarkets over the period). China's Trip.Com and Chinese biotechnology company Beigene benefited from optimism about China's re-opening and China's HollySys Automation Technologies gained on renewed takeover speculation.

Our holding in Raizen, Brazil's largest sugar and ethanol producer, was also among the notable detractors. In early 2023, a significant investor in Raizen decided to offload its stake, which depressed the company's share price. Other holdings that held back performance included Sibanye Stillwater (a position we have now closed) and SK Hynix, which was caught up in general weakness in the semiconductor sector. Not holding Tencent which reported good results also detracted.

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.

Investment activity

As value-oriented investors, we took advantage of the volatility during the period and the resulting mispricing in stocks to adjust our portfolio. As such, we were able to exit stocks and markets trading at expensive multiples, while reinvesting the proceeds in high-quality companies at attractive valuations.

In financials, we started new positions in UK-listed life insurer Prudential (which we believe is well placed to meet growing demand for insurance in Asia and Africa), South Korea's Samsung Life and Hong Kong-listed life insurer AIA. The latter re-joined the portfolio. The company has had a tough time with the closure of the China-Hong Kong border, but we think it is a quality business with attractive long-term prospects.

We also invested in Colombian banks Davivienda and Bancolombia, as we believe that despite Colombia's political and economic challenges, the banking system is reasonably solid and valuations are attractive, and Egyptian bank Commercial International Bank, which we have owned before. Concerns about Egypt's macroeconomic situation have weighed on the stock, but we think the lender's prospects are being underappreciated.

We sold our entire stakes in Turkish bank Haci Omer Sabanci, Chinese insurer PICC Property and Casualty, and South African financial services group Sanlam.

In telecommunications and technology, we closed our position in China Mobile after the telecommunications firm was placed on a US sanctions list. Later in the year, we began new positions in China Communication Services and South Korean IT security business SK

Investment review

Square and added to our existing position in semiconductor firm Taiwan Semiconductor Manufacturing.

In the real estate sector, we closed a position in China Overseas Land and initiated holdings in Ciputra and KE Holdings. We believe Indonesian real estate developer Ciputra Development will be a beneficiary of the urbanisation of Indonesia and the country's economic growth in general. KE Holdings is a real estate selling platform that has performed poorly since its listing in 2021 and is undervalued in our view. The company has a profitable renovation/home improvement division which we think has a great growth runway over the next two to three years.

Outlook

After their worst year since the global financial crisis, we believe emerging markets may see some overdue outperformance in 2023. As US interest rates peak, we should see a reversal of the capital flight experienced by emerging markets in 2022. While developed countries continue to grapple with high inflation rates, emerging market economies are starting to see prices falling (albeit from a high base) as supply-chain and commodities shocks wane.

Overall, emerging market valuations remain attractive compared to historical levels and are cheaper relative to developed markets. Furthermore, despite the uncertain global economic backdrop, the long-term drivers for emerging markets economic growth remain intact.

We maintain our bottom-up ethos and expect a further rise in stock dispersion this year. As value-oriented investors, we will continue to drill down beyond macroeconomic and geopolitical situations to focus on individual stock opportunities.

Michael Bourke
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 9 November 2022, the sub-fund was 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. From 10 November 2022, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**114,687**	**98.21**
United Kingdom					**2,479**	**2.12**
Prudential	103,088	£			1,413	1.21
Standard Chartered	140,480	HK$			1,066	0.91
Portugal						
Galp Energia	9,324	€			**106**	**0.09**
Russia					**0**	**0.00**
Etalon Group[a]	330,055	US$			0	0.00
Lukoil[a]	43,975	RUB			0	0.00
Novatek[a]	68,055	RUB			0	0.00
Sberbank of Russia[a]	699,796	RUB			0	0.00
X5 Retail Group[a]	82,164	US$			0	0.00
United States						
Kosmos Energy	236,480	US$			**1,711**	**1.47**
Canada					**522**	**0.45**
First Quantum Minerals	9,794	CA$			223	0.19
Teck Resources 'B'	8,256	US$			299	0.26
Brazil					**9,056**	**7.75**
Banco Bradesco	812,516	BRL			2,135	1.83
Banco Bradesco	51,728	BRL			121	0.10
CCR	1,208,301	BRL			2,954	2.53
Centrais Eletricas Brasileiras 'B'	207,610	BRL			1,487	1.27
Cogna Educação	495,833	BRL			176	0.15
Cyrela Brazil Realty	192,742	BRL			537	0.46
Raizen Pref.	2,905,936	BRL			1,646	1.41
Chile						
Embotelladora Andina Pref.	444,675	CLP			**1,154**	**0.99**
Colombia					**876**	**0.75**
Banco Davivienda	43,370	COP			221	0.19
Bancolombia ADR	26,555	US$			655	0.56
Mexico					**7,630**	**6.53**
Alfa 'A'	3,135,074	MXN			1,972	1.69
Fibra Uno Administracion	2,733,630	MXN			3,776	3.23

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Mexico (continued)						
Nemak	3,414,469	MXN			855	0.73
Orbia Advance	477,085	MXN			1,027	0.88
Peru						
Credicorp	2,053	US$			**272**	**0.23**
China					**29,852**	**25.56**
Alibaba Group Holding ADR	57,246	US$			5,869	5.03
Autohome ADR	35,060	US$			1,179	1.01
Baidu ADR	19,659	US$			2,989	2.56
BeiGene ADR	11,210	US$			2,448	2.10
China Communications Services 'H'	3,472,000	HK$			1,711	1.46
China Construction Bank 'H'	4,588,000	HK$			2,978	2.55
China Petroleum & Chemical 'H'	2,492,000	HK$			1,475	1.26
China Railway Signal & Communication 'H'	4,528,000	HK$			1,667	1.43
China Yongda Automobiles Services Holdings	1,177,500	HK$			838	0.72
Greatview Aseptic Packaging	5,358,000	HK$			1,112	0.95
Hollysys Automation Technologies	80,731	US$			1,387	1.19
KE Holdings	32,429	US$			606	0.52
OneConnect Financial Technology	85,633	US$			472	0.40
Ping An Insurance Group of China 'H'	501,000	HK$			3,268	2.80
Trip.com Group ADR	26,355	US$			987	0.84
Zai Lab	25,873	US$			866	0.74
Hong Kong					**10,778**	**9.23**
AIA Group	146,400	HK$			1,545	1.32
Far East Horizon	3,339,000	HK$			3,000	2.57
First Pacific	5,421,721	HK$			1,749	1.50
Hutchison China MediTech ADR	55,012	US$			738	0.63
Hutchmed China	116,000	HK$			306	0.26
Kunlun Energy	2,014,000	HK$			1,576	1.35
VTech Holdings	311,400	HK$			1,864	1.60
Indonesia					**2,134**	**1.83**
Bank Mandiri Persero	2,181,700	IDR			1,504	1.29

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Indonesia (continued)						
Ciputra Development	9,510,800	IDR			630	0.54
India					**3,299**	**2.82**
HDFC Bank	102,136	INR			2,001	1.71
Oil & Natural Gas	707,129	INR			1,298	1.11
Philippines						
GT Capital Holdings	218,576	PHP			**2,042**	**1.75**
Pakistan					**723**	**0.62**
Habib Bank	674,372	PKR			174	0.15
United Bank	1,469,613	PKR			549	0.47
Singapore						
Ezion Holdings (Warrant)[a]	16,076,030	SG$			**0**	**0.00**
South Korea					**22,638**	**19.39**
Hana Financial Group	100,943	KRW			3,158	2.71
Hyundai Motor	8,291	KRW			1,175	1.01
Hyundai Motor Pref.	8,448	KRW			611	0.52
Samsung Electronics	173,080	KRW			8,502	7.28
Samsung Fire & Marine Insurance	17,644	KRW			2,795	2.39
Samsung Life Insurance	18,554	KRW			896	0.77
Shinhan Financial Group	92,222	KRW			2,502	2.14
SK Hynix	28,106	KRW			1,912	1.64
SK Square	35,570	KRW			1,087	0.93
Taiwan					**11,374**	**9.74**
Chicony Electronics	411,000	TW$			1,288	1.10
Delta Electronics	113,000	TW$			1,116	0.95
Hon Hai Precision Industry	436,000	TW$			1,493	1.28
Silicon Motion Technology ADR	32,489	US$			2,133	1.83
Taiwan Semiconductor Manufacturing	305,000	TW$			5,344	4.58
Thailand						
Kasikornbank	294,500	THB			**1,145**	**0.98**
Mauritius						
Grit Real Estate Income Group	3,089,040	£			**1,261**	**1.08**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
South Africa					**4,562**	**3.91**
Absa Group	133,199	ZAR			1,355	1.16
Naspers	17,186	ZAR			3,207	2.75
Egypt						
Commercial International Bank Egypt	832,673	US$			**1,073**	**0.92**
Currency					**23**	**0.03**
Forward currency contracts					**23**	**0.03**
Bought for CHF 1,341,159.39, Sold for US$ 1,479,146.36			19.04.2023		(15)	(0.01)
Bought for € 2,655,473.25, Sold for US$ 2,846,423.69			19.04.2023		43	0.04
Bought for US$ 81,843.79, Sold for CHF 75,963.55			19.04.2023		(2)	0.00
Bought for US$ 173,895.91, Sold for € 163,316.12			19.04.2023		(3)	0.00
Portfolio of investments					**114,710**	**98.24**
Cash equivalents					**2,142**	**1.83**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	2,142,000	US$			**2,142**	**1.83**
Total portfolio					**116,852**	**100.07**
Net other assets/(liabilities)					(71)	(0.07)
Net assets					**116,781**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	114,687	98.21
Unrealised gains on forward currency contracts	43	0.04
Total Investment assets	**114,730**	**98.25**
Investment liabilities		
Unrealised losses on forward currency contracts	(20)	(0.01)
Total Investment liabilities	**(20)**	**(0.01)**
Total portfolio	**114,710**	**98.24**
Cash equivalents	**2,142**	**1.83**
Net other assets/(liabilities)	**(71)**	**(0.07)**
Net assets	**116,781**	**100.00**

[a] Fair valued.

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts US$'000
State Street Bank and Trust Company	9,190

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-0.9	+15.6	+3.4	+8.8	05.02.09	26.10.18
Class 'A' Distribution	-1.0	+15.6	+3.4	+3.6	08.08.14	26.10.18
Class 'A-H' Accumulation	-6.7	+12.6	-1.9	+0.4	24.02.17	26.10.18
Class 'C' Accumulation	+0.1	+16.7	+4.4	+9.9	05.02.09	26.10.18
Class 'C' Distribution	0.0	+16.7	+4.4	+4.6	08.08.14	26.10.18
Class 'C-H' Accumulation	-5.8	+13.7	-0.9	+1.3	24.02.17	26.10.18
Class 'CI' Accumulation	+0.2	+16.8	+4.4	+9.9	05.02.09	06.11.18
Class 'CI-H' Accumulation	-5.7	+13.7	n/a	0.0	n/a	12.04.19
Class 'J' Accumulation	+0.2	+16.9	n/a	+4.3	04.05.18	26.10.18
Singapore dollar						
Class 'A' Accumulation	-4.6	+12.7	+1.1	+3.1	16.01.15	26.10.18
Class 'A' Distribution	-4.6	+12.7	+1.1	+3.2	16.01.15	26.10.18
Class 'C' Accumulation	-3.6	+13.8	+2.1	+4.2	16.01.15	26.10.18
Class 'C' Distribution	-3.7	+13.8	+2.1	+4.2	16.01.15	26.10.18

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Swiss franc						
Class 'A-H' Accumulation	-7.2	+12.4	-2.0	+0.2	24.02.17	26.10.18
Class 'C-H' Accumulation	-6.2	+13.6	-1.0	+1.2	24.02.17	26.10.18
Class 'CI-H' Accumulation	-6.2	+13.6	-1.0	+1.3	24.02.17	06.11.18
US dollar						
Class 'A' Accumulation	-2.9	+15.3	+0.8	+7.5	05.02.09	26.10.18
Class 'A' Distribution	-2.9	+15.3	+0.8	+1.1	08.08.14	26.10.18
Class 'C' Accumulation	-1.9	+16.5	+1.8	+8.6	05.02.09	26.10.18
Class 'C' Distribution	-1.9	+16.5	+1.8	+2.1	08.08.14	26.10.18
Class 'CI' Accumulation	-1.9	+16.5	+1.8	+8.6	05.02.09	06.11.18
Class 'J' Accumulation	-1.8	+16.6	n/a	+2.2	04.05.18	26.10.18

[a] Sub-fund performance before the launch of the sub-fund on 26 October 2018 is that of the relevant Merged Share Class of the M&G Global Emerging Markets Fund, which includes UK taxes but excludes entry and exit charges. The M&G Global Emerging Markets Fund is a UK authorised sub-fund which launched on 5 February 2009 and its non-Sterling share classes merged into M&G (Lux) Global Emerging Markets Fund on 26 October 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	1,010,779.423	32.8745	33.0565	32.5607
Class 'A' Distribution	33,484.823	26.9266	28.2108	28.5932
Class 'A-H' Accumulation	40,834.920	10.2402	10.9370	11.5607
Class 'C' Accumulation	746,722.636	37.8431	37.6737	36.7388
Class 'C' Distribution	42,249.000	30.2103	31.3277	31.4313
Class 'C-H' Accumulation	187,885.153	10.8512	11.4850	12.0203
Class 'CI' Accumulation	1,118,923.983	12.9368	12.8738	12.5496
Class 'CI-H' Accumulation	16,194.150	10.0126	10.5872	11.0774
Class 'J' Accumulation	1,025.684	12.2698	12.2029	11.8885
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A' Accumulation	847.059	12.8946	13.4728	13.9397
Class 'A' Distribution	884.252	10.6030	11.5416	12.2843
Class 'C' Accumulation	817.762	13.9961	14.4782	14.8307
Class 'C' Distribution	867.536	11.3301	12.2073	12.8616
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	74,525.207	10.1231	10.8754	11.4778
Class 'C-H' Accumulation	49,850.294	10.7847	11.4655	11.9796
Class 'CI-H' Accumulation	4,600.000	10.9561	11.6476	12.1693
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	334,828.696	27.7538	28.4851	29.6753
Class 'A' Distribution	5,583.922	22.7306	24.3078	26.0576
Class 'C' Accumulation	276,827.236	31.9665	32.4813	33.5010
Class 'C' Distribution	1,434.836	25.5253	27.0147	28.6653
Class 'CI' Accumulation	653,687.000	12.3266	12.5203	12.9084
Class 'J' Accumulation	100,470.784	11.1500	11.3180	11.6611

Financial highlights

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	116,781	126,962	196,697
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**116,781**	**126,962**	**196,697**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.99
Class 'A' Distribution	1.99
Class 'A-H' Accumulation	2.01
Class 'C' Accumulation	0.99
Class 'C' Distribution	0.99
Class 'C-H' Accumulation	1.01
Class 'CI' Accumulation	0.95
Class 'CI-H' Accumulation	0.97
Class 'J' Accumulation	0.89
Singapore dollar	**%**
Class 'A' Accumulation	1.99
Class 'A' Distribution	1.99
Class 'C' Accumulation	1.00
Class 'C' Distribution	0.99
Swiss franc	**%**
Class 'A-H' Accumulation	2.01
Class 'C-H' Accumulation	1.01
Class 'CI-H' Accumulation	0.97
US dollar	**%**
Class 'A' Accumulation	1.99
Class 'A' Distribution	1.99
Class 'C' Accumulation	0.99
Class 'C' Distribution	0.98
Class 'CI' Accumulation	0.94
Class 'J' Accumulation	0.88

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

Stockmarkets around the world were volatile over the period under review and for the 12 months as a whole, recorded a negative return in euro terms.

Initially, growing concerns about the global economy and higher interest rates, to curb inflation, unsettled investors. However, by the fourth quarter of 2022, signs that inflation was slowing raised investors' hopes that central banks might in turn slow their interest rate hikes. Stockmarkets responded by rallying sharply, particularly in October.

Further gains were made at the start of 2023, as investor confidence remained intact. However, it was not long before concerns over persistently high inflation led to falls in share prices. Then in March, confidence in the banking sector was eroded by the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland. However, as the period drew to a close, stockmarkets again were on an upward trajectory.

Against this background, the sub-fund delivered a negative total return (the combination of capital growth and income) across all its share classes, but was ahead of its benchmark the MSCI ACWI Net Return Index.

All the underlying factors that the sub-fund targets outperformed the benchmark over the period, providing a tailwind for the sub-fund's performance. Within these, active exposures to cheap value, small size and low volatility factors were the main drivers of outperformance (see section below for an explanation of factor investing).

Investment activity

The M&G (Lux) Global Enhanced Equity Premia Fund is an active equity (company shares) sub-fund, using a dynamic multi-factor equity approach. Factor investing is based on the premise that a significant portion of returns over time can be explained by the excess return generated by stocks that reflect certain characteristics, or risk factors.

We apply a systematic investment approach to select stocks we expect to outperform other companies in the global equity market. From the sub-fund's investible universe, the MSCI ACWI Index, each stock is ranked on five key criteria, or factors: value, quality, momentum, volatility and size. Based on analysis of simulated past returns, stocks with exposure to these factors (attractive valuation, high quality, positive momentum, low volatility and small company size) have historically tended to deliver superior risk-adjusted returns.

These rankings are then combined to provide a single 'score' for each stock. Stocks with high scores are candidates for inclusion in the sub-fund.

The weighting we allocate to each factor in the process of arriving at the single score reflects our view of the prevailing market conditions. The potential returns of individual factors might vary depending on their valuation and price action, as well as general market conditions. For example, if in our view a risk factor is attractively valued, it will have a greater weighting in the score than if we regard it as unattractively valued. Typically, each risk factor will have an equal weighting (ie 20%). No factor can have a weighting of less than 0% or greater than 50%.

As part of the portfolio construction process, differences between the sub-fund's characteristics and the index (such as stock, sector, country or risk factor weightings) may be constrained. Managing the sub-fund in this way limits the magnitude by which the sub-fund is expected to deviate from the benchmark.

By combining factors, we mitigate the risk of any single factor being out of favour at a given time. Factors generally have low levels of correlation – they often do not move in the same direction as the market or as each other. In some cases in the past, factors have even displayed negative correlation, moving in opposite directions to the markets and/or each other.

Throughout the review period, the sub-fund maintained an elevated exposure to the value and momentum factors (ie above the 'typical' 20% weighting). Both factors contributed to active returns over the review period.

Investment review

Outlook

Concerns about the stability of the banking system have added to an already uncertain macroeconomic environment, but central banks remain committed to their task of fighting inflation, with a clear steer that the current cycle of higher interest rate hikes has further to go.

Rather than second-guess the course of interest rates and economies, we prefer to focus our attention on our systematic investment approach to select stocks.

Up until recently, the era after the global financial crisis had been characterised by a regime of lower interest rates, benign inflation outcomes and the growth factor outperforming value for most of the time.

The monetary and fiscal policy responses by developed economies, especially the US, to the rise in inflation after the COVID-19 pandemic and Russia's attack of Ukraine have caused market participants to question whether we are at the start of a new regime for asset markets. The rise in longer-term interest rates appears to reflect this view.

Should such a reflationary regime continue, we would expect the environment to be supportive of the multi-factor approach used in the sub-fund, which currently has a heavy value tilt.

Gautam Samarth
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**3,800**	**98.78**
United Kingdom					**130**	**3.38**
Auto Trader Group	1,154	£			8	0.21
BAE Systems	1,222	£			15	0.39
Berkeley Group Holdings	762	£			40	1.04
Bunzl	1,061	£			40	1.04
CNH Industrial	1,764	€			27	0.70
Belgium						
Ageas	319	€			**14**	**0.37**
Czech Republic						
Moneta Money Bank	9,254	CZK			**37**	**0.96**
Denmark					**34**	**0.88**
AP Moller - Maersk 'A'	3	DKK			5	0.13
Novo Nordisk 'B'	182	DKK			29	0.75
France					**56**	**1.46**
Arkema	98	€			10	0.26
Compagnie Générale des Etablissements Michelin	1,096	€			34	0.89
Dassault Aviation	63	€			12	0.31
Germany					**85**	**2.21**
Bayerische Motoren Werke Pref.	511	€			53	1.38
Merck KGaA	43	€			8	0.21
Rheinmetall	47	€			14	0.36
Telefónica Deutschland Holding	3,396	€			10	0.26
Greece					**34**	**0.88**
JUMBO	1,044	€			22	0.57
OPAP	717	€			12	0.31
Hungary					**64**	**1.66**
MOL Hungarian Oil & Gas	5,229	HUF			39	1.01
Richter Gedeon	1,209	HUF			25	0.65
Ireland					**106**	**2.76**
Accenture 'A'	133	US$			38	0.99
DCC	573	£			33	0.86

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Ireland (continued)						
Vanguard FTSE All-World UCITS ETF USD Accumulating	346	US$			35	0.91
Netherlands (The)					**49**	**1.27**
Koninklijke Ahold Delhaize	621	€			22	0.57
NN Group	754	€			27	0.70
Norway					**49**	**1.27**
Kongsberg Gruppen	273	NOK			11	0.28
Yara International	883	NOK			38	0.99
Russia					**0**	**0.00**
Inter RAO UES[a]	342,070	RUB			0	0.00
PhosAgro[a]	2	US$			0	0.00
PhosAgro[a]	12	US$			0	0.00
PhosAgro[a]	611	RUB			0	0.00
Severstal[a]	441	RUB			0	0.00
Spain						
Enagas	481	€			**9**	**0.24**
Sweden					**63**	**1.64**
Boliden	1,176	SEK			46	1.20
Tele2	1,798	SEK			17	0.44
Switzerland					**15**	**0.39**
Roche Holding	27	CHF			8	0.21
Roche Holding	24	CHF			7	0.18
Turkey						
BIM Birleşik Mağazalar	1,971	TRY			**15**	**0.39**
United States					**2,234**	**58.07**
AbbVie	354	US$			56	1.46
Advance Auto Parts	54	US$			6	0.16
Alphabet 'A'	140	US$			14	0.36
Alphabet 'C'	391	US$			40	1.04
Amazon.com	300	US$			31	0.81
AmerisourceBergen	264	US$			42	1.09

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
United States (continued)						
Analog Devices	155	US$			30	0.78
Apple	798	US$			130	3.38
Arrow Electronics	321	US$			39	1.01
Assurant	222	US$			26	0.68
Automatic Data Processing	192	US$			42	1.09
AutoZone	18	US$			43	1.12
Booz Allen Hamilton Holding	99	US$			9	0.23
BorgWarner	226	US$			11	0.29
Bristol-Myers Squibb	125	US$			9	0.24
Broadcom	99	US$			63	1.64
Brown & Brown	149	US$			8	0.21
Bunge	406	US$			39	1.01
CDW	226	US$			43	1.12
CH Robinson Worldwide	367	US$			36	0.94
Cigna	33	US$			8	0.21
Cognizant Technology Solutions 'A'	136	US$			8	0.21
CVS Health	186	US$			14	0.36
Dell Technologies 'C'	839	US$			34	0.88
Elevance Health	22	US$			10	0.26
Fox 'A'	831	US$			28	0.73
Fox 'B'	289	US$			9	0.23
Genuine Parts	234	US$			39	1.01
Gilead Sciences	162	US$			13	0.34
Hasbro	466	US$			24	0.62
Henry Schein	120	US$			10	0.26
Hewlett Packard Enterprise	1,171	US$			34	0.88
Hewlett Packard Enterprise	2,726	US$			43	1.12
Huntington Ingalls Industries	177	US$			37	0.96
International Business Machines	339	US$			44	1.14
Interpublic Group of Companies	1,113	US$			41	1.07
JB Hunt Transport Services	214	US$			36	0.94

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
United States (continued)						
Juniper Networks	1,168	US$			40	1.04
KLA	119	US$			47	1.22
Knight-Swift Transportation Holdings	740	US$			41	1.07
LKQ	641	US$			36	0.94
LPL Financial Holdings	49	US$			10	0.26
Lumen Technologies	828	US$			2	0.05
LyondellBasell Industries 'A'	102	US$			10	0.26
McKesson	36	US$			13	0.34
Merck	553	US$			59	1.53
MetLife	150	US$			9	0.23
Microsoft	400	US$			114	2.96
Nucor	331	US$			50	1.30
NVR	8	US$			44	1.14
Omnicom Group	155	US$			14	0.36
ON Semiconductor	339	US$			28	0.73
Oracle	377	US$			34	0.88
PACCAR	685	US$			50	1.30
Packaging Corp of America	65	US$			9	0.23
Paychex	326	US$			37	0.96
Pfizer	1,070	US$			43	1.12
Pool	22	US$			7	0.18
PulteGroup	409	US$			23	0.60
Republic Services	84	US$			11	0.29
Robert Half International	94	US$			7	0.18
Seagate Technology Holdings	321	US$			21	0.55
Snap-on	180	US$			44	1.14
Steel Dynamics	555	US$			62	1.61
STERIS	43	US$			8	0.21
Tesla	36	US$			7	0.18
Texas Instruments	181	US$			33	0.86
Thermo Fisher Scientific	76	US$			43	1.12

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
United States (continued)						
Tractor Supply	192	US$			44	1.14
Tyson Foods 'A'	447	US$			26	0.68
UnitedHealth Group	32	US$			15	0.39
Westlake	390	US$			44	1.14
Canada					**118**	**3.07**
Bank of Nova Scotia	619	CA$			31	0.81
Canadian Utilities 'A'	364	CA$			10	0.26
Gildan Activewear	322	CA$			11	0.29
Loblaw	98	CA$			9	0.23
Nutrien	130	CA$			9	0.23
Quebecor 'B'	418	CA$			10	0.26
TMX Group	378	CA$			38	0.99
Brazil					**35**	**0.91**
Cia Energetica de Minas Gerais	4,727	BRL			10	0.26
Hypera	3,168	BRL			25	0.65
Colombia						
Interconexion Electrica	1,700	COP			**6**	**0.16**
Japan					**179**	**4.65**
Bridgestone	500	¥			20	0.52
Japan Tobacco	2,200	¥			46	1.19
Lawson	300	¥			13	0.34
Obayashi	1,100	¥			8	0.21
Shionogi	300	¥			14	0.36
Tokio Marine Holdings	1,200	¥			23	0.60
Tosoh	600	¥			8	0.21
Trend Micro	477	¥			23	0.60
USS	1,400	¥			24	0.62
Australia					**71**	**1.85**
Dexus	5,116	AU$			26	0.68
Mineral Resources	279	AU$			15	0.39
Sonic Healthcare	1,284	AU$			30	0.78

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
China					**144**	**3.74**
China Resources Sanjiu Medical & Pharmaceutical 'A'	6,300	CNY			53	1.38
Chongqing Rural Commercial Bank 'A'	50,500	CNY			27	0.70
Dongyue Group	8,000	HK$			8	0.21
PICC Property & Casualty	34,000	HK$			35	0.91
Sinopharm Group 'H'	4,000	HK$			12	0.31
Zhejiang Expressway 'H'	12,000	HK$			9	0.23
Hong Kong						
China Traditional Chinese Medicine Holdings	28,000	HK$			**15**	**0.39**
Indonesia					**18**	**0.47**
Adaro Energy Indonesia	45,400	IDR			9	0.23
Indofood Sukses Makmur	23,000	IDR			9	0.24
Malaysia					**18**	**0.47**
Hong Leong Financial Group	2,300	MYR			9	0.23
RHB Bank	7,171	MYR			9	0.24
South Korea					**79**	**2.05**
Cheil Worldwide	537	KRW			8	0.21
Industrial Bank of Korea	4,359	KRW			34	0.88
Shinhan Financial Group	274	KRW			7	0.18
Woori Financial Group	3,397	KRW			30	0.78
Taiwan					**94**	**2.44**
Pou Chen	24,000	TW$			25	0.65
SinoPac Financial Holdings	68,043	TW$			37	0.96
Synnex Technology International	16,000	TW$			32	0.83
South Africa					**29**	**0.75**
African Rainbow Minerals	727	ZAR			10	0.26
Exxaro Resources	1,809	ZAR			19	0.49
Portfolio of investments					**3,800**	**98.78**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Cash equivalents					**26**	**0.67**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	26,000	US$			**26**	**0.67**
Total portfolio					**3,826**	**99.45**
Net other assets/(liabilities)					21	0.55
Net assets					**3,847**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	3,800	98.78
Total Investment assets	**3,800**	**98.78**
Total portfolio	**3,800**	**98.78**
Cash equivalents	**26**	**0.67**
Net other assets/(liabilities)	**21**	**0.55**
Net assets	**3,847**	**100.00**

[a] Fair valued.

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-4.4	+15.8	n/a	+6.5	10.12.19
Class 'A' Distribution	-4.5	+15.8	n/a	+6.5	10.12.19
Class 'C' Accumulation	-4.1	+16.1	n/a	+6.8	10.12.19
Class 'C' Distribution	-4.2	+16.1	n/a	+6.8	10.12.19
Class 'CI' Accumulation	-4.1	+16.1	n/a	+6.9	10.12.19
Class 'CI' Distribution	-4.2	+16.1	n/a	+6.8	10.12.19
Class 'ZI' Accumulation	-4.0	+16.3	n/a	+7.0	10.12.19
Singapore dollar					
Class 'A' Accumulation	-8.0	+12.9	n/a	+5.2	10.12.19
Class 'A' Distribution	-8.0	+12.9	n/a	+5.2	10.12.19
Class 'C' Accumulation	-7.8	+13.2	n/a	+5.5	10.12.19
Class 'C' Distribution	-7.8	+13.2	n/a	+5.5	10.12.19
Swiss franc					
Class 'A' Accumulation	-7.1	+13.6	n/a	+3.6	10.12.19
Class 'A' Distribution	-7.1	+13.6	n/a	+3.6	10.12.19
Class 'C' Accumulation	-6.8	+13.9	n/a	+3.9	10.12.19
Class 'C' Distribution	-6.9	+13.8	n/a	+3.9	10.12.19
US dollar					
Class 'A' Accumulation	-6.3	+15.5	n/a	+5.9	10.12.19
Class 'A' Distribution	-6.3	+15.5	n/a	+5.9	10.12.19
Class 'C' Accumulation	-6.1	+15.8	n/a	+6.2	10.12.19
Class 'C' Distribution	-6.1	+15.8	n/a	+6.2	10.12.19
Class 'CI' Accumulation	-6.1	+15.8	n/a	+6.2	10.12.19
Class 'ZI' Accumulation	-5.9	+16.0	n/a	+6.4	10.12.19

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	2,400.000	12.3300	12.8957	11.1030
Class 'A' Distribution	2,400.000	11.7137	12.5846	11.0247
Class 'C' Accumulation	2,400.000	12.4319	12.9698	11.1392
Class 'C' Distribution	2,400.000	11.8118	12.6579	11.0608
Class 'CI' Accumulation	4,600.000	12.4486	12.9826	11.1451
Class 'CI' Distribution	4,600.000	11.8277	12.6700	11.0667
Class 'ZI' Accumulation	4,600.000	12.5108	13.0279	11.1671
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A' Accumulation	2,400.000	11.8311	12.8575	11.6260
Class 'A' Distribution	2,400.000	11.2402	12.5462	11.5436
Class 'C' Accumulation	2,400.000	11.9298	12.9323	11.6641
Class 'C' Distribution	2,400.000	11.3349	12.6197	11.5819
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A' Accumulation	2,400.000	11.2560	12.1109	11.2470
Class 'A' Distribution	2,400.000	10.6941	11.8192	11.1680
Class 'C' Accumulation	2,400.000	11.3498	12.1811	11.2840
Class 'C' Distribution	2,400.000	10.7837	11.8878	11.2045
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	2,400.000	12.0942	12.9105	11.7556
Class 'A' Distribution	2,400.000	11.4896	12.5990	11.6728
Class 'C' Accumulation	2,400.000	12.1944	12.9849	11.7938
Class 'C' Distribution	2,400.000	11.5862	12.6723	11.7111
Class 'CI' Accumulation	4,600.000	12.2088	12.9960	11.7998
Class 'ZI' Accumulation	258,257.266	12.2697	13.0413	11.8230

M&G (Lux) Global Enhanced Equity Premia Fund

Financial highlights

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	3,847	4,121	3,722
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**3,847**	**4,121**	**3,722**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	0.65
Class 'A' Distribution	0.65
Class 'C' Accumulation	0.40
Class 'C' Distribution	0.40
Class 'CI' Accumulation	0.36
Class 'CI' Distribution	0.36
Class 'ZI' Accumulation	0.21
Singapore dollar	**%**
Class 'A' Accumulation	0.65
Class 'A' Distribution	0.65
Class 'C' Accumulation	0.40
Class 'C' Distribution	0.40
Swiss franc	**%**
Class 'A' Accumulation	0.65
Class 'A' Distribution	0.65
Class 'C' Accumulation	0.40
Class 'C' Distribution	0.40
US dollar	**%**
Class 'A' Accumulation	0.65
Class 'A' Distribution	0.65
Class 'C' Accumulation	0.40
Class 'C' Distribution	0.40
Class 'CI' Accumulation	0.36
Class 'ZI' Accumulation	0.21

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The sub-fund delivered a positive return during the period under review. Government and investment grade corporate bonds struggled throughout the period, as central banks repeatedly hiked interest rates to combat high inflation (exacerbated by the war in Ukraine).

After initial success in slowing down inflation, there was speculation regarding a Fed pivot away from aggressive rate hikes, which led to bond market rallies in October and November. Markets retreated in December as high inflation proved to be very persistent. After rebounding strongly in January, bond markets were subjected to more volatility in February and March, caused by inflation concerns and a banking panic.

These conditions made traditional fixed income investments less competitive, and investors turned to floating rate notes (FRNs) – which pay variable interest rates – for protection. High yield floating rate notes (HY FRNs), which offer higher income potential to compensate for greater default risks, outperformed as investors tried to avoid the effects of inflation.

The sub-fund underperformed its benchmark over the period, when security selection, in particular in financials and retail, as well as our currency exposure, detracted. Our lack of exposure to the more inflation-sensitive real estate and banking sectors and slight underweight in basic industry were beneficial for relative returns. Our exposure to credit default swaps (CDS) also added value.

The sub-fund's more defensive positioning than the index (that is, less exposed to potentially risky names) contributed to performance – for example in avoiding Novafives, an auto-part manufacturer with exposure to Russia. We also benefited from holding logistics provider Worldwide Flight Services, which was acquired by stronger rival SATS.

Our largest issuers at period end were Netherlands-based telecommunications provider United Group, Italian software company TeamSystem and Paganini Bidco, the holding company of Italian online university platform Multiversity.

In relative terms, an overweight US Treasury position contributed positively, as did our holdings in UK housebuilder Castle and Sherwood Financing. Notable detractors included the positions in PrestigeBidco (the holding company for German retailer Schustermann and Borenstein) and Fiber Bidco (owner of paper company Fedrigoni).

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.

Investment activities

We maintained our careful approach, focusing on physical, corporate HY FRNs (as opposed to instruments like interest-rate swaps) and avoiding the most distressed names: the sub-fund has an average credit rating of B+.

As such, we remained selective in terms of primary market activity, buying new issues from UK-based Miller Homes, Italian pharmaceutical company Kepler and UK gaming company 888. We also participated in deals from Fedrigoni, Italmatch chemicals and debt collectors Encore Capital, Arrow and iQuera.

Outlook

We see good value in HY FRNs because of the prospect of further interest rate increases, ample credit premiums and the notes' elevated income streams.

We believe FRNs' mitigation of interest-rate risk will be beneficial as central banks' ongoing struggle to cool inflation is likely to lead to higher benchmark borrowing costs, particularly in Europe and the UK. Furthermore, floaters remove duration risk should the Federal Reserve pivot to cuts.

We believe holders of HY FRNs are well-compensated for credit risks as markets have priced in an overly pessimistic outlook for defaults. Spreads remain significantly wider than the long-term average, offering the prospect of gains from compression. By contrast, conventional HY spreads have already tightened. Any

Investment review

HY FRN defaults will also likely be concentrated in specific sectors, boosting the importance of active selection.

James Tomlins
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income					**1,786,195**	**93.33**
Debt securities					**1,786,614**	**93.35**
'AA' credit rated bonds					**198,841**	**10.39**
US Treasury Note FRN	38,000,000	US$	31.01.2024		37,987	1.99
US Treasury Note FRN	38,000,000	US$	30.04.2024		37,940	1.98
US Treasury Note FRN	38,000,000	US$	31.07.2024		37,954	1.98
US Treasury Note FRN	85,000,000	US$	31.10.2024		84,960	4.44
'BB' credit rated bonds					**124,048**	**6.48**
Allwyn Entertainment FRN	29,150,000	€	15.02.2028		31,687	1.66
Encore Capital Group FRN	13,585,000	€	15.01.2028		14,183	0.74
Encore Capital Group 4.25%	7,884,000	£	01.06.2028		7,630	0.40
Energy Transfer Operating FRN	36,963,000	US$	01.11.2066		26,664	1.39
Ford Motor Credit FRN	12,200,000	€	15.11.2023		13,212	0.69
Ford Motor Credit FRN	28,773,000	€	01.12.2024		30,672	1.60
'B' credit rated bonds					**1,432,326**	**74.84**
888 Acquisitions FRN	22,957,000	€	15.07.2028		21,711	1.13
APCOA Parking Holdings FRN	13,749,000	€	15.01.2027		14,674	0.77
Arena Luxembourg Finance FRN	6,202,000	€	01.02.2027		6,092	0.32
Assemblin Financing FRN	11,583,000	€	15.05.2025		12,656	0.66
Bach Bidco FRN	22,738,000	€	15.10.2028		24,388	1.27
Bormioli Pharma Bidco FRN	20,895,000	€	15.11.2024		22,371	1.17
Brunello Bidco FRN	60,040,000	€	15.02.2028		63,843	3.34
Burger King France FRN	25,378,000	€	01.11.2026		27,427	1.43
Castle UK Finco FRN	25,898,000	€	15.05.2028		23,569	1.23
Castor FRN	29,996,000	€	15.02.2029		31,243	1.63
Cedacri Mergeco FRN	48,075,000	€	15.05.2028		51,432	2.69
Cirsa Finance International FRN	36,654,000	€	30.09.2025		39,176	2.05
Cullinan Holdco FRN	20,228,000	€	15.10.2026		21,081	1.10
Deuce FinCo FRN	27,675,000	€	15.06.2027		27,745	1.45
Deutsche Lufthansa 4.382%	26,299,000	€	12.08.2075		25,443	1.33
EVOCA FRN	41,546,000	€	01.11.2026		40,405	2.11
Fiber Bidco FRN	10,420,000	€	25.10.2027		11,415	0.60
Galaxy Bidco FRN	5,942,000	€	31.07.2026		6,369	0.33

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Gamma Bidco FRN	11,981,000	€	15.07.2025		13,087	0.68
Garfunkelux HoldCo 3 FRN	42,387,000	€	01.05.2026		38,955	2.04
Golden Goose FRN	33,745,000	€	14.05.2027		35,834	1.87
Goldstory FRN	1,608,000	€	01.03.2026		1,724	0.09
HSE Finance FRN	20,300,000	€	15.10.2026		11,391	0.60
International Design Group FRN	21,221,000	€	15.05.2026		22,591	1.18
IPD 3 FRN	5,294,000	€	01.12.2025		5,779	0.30
Iqera Group FRN	10,075,000	€	15.02.2027		9,995	0.53
Italmatch Chemicals FRN	33,636,000	€	06.02.2028		35,269	1.84
Kapla Holding FRN	19,163,000	€	15.12.2026		20,070	1.05
Kepler FRN	6,900,000	€	15.05.2029		7,335	0.38
Leather 2 FRN	29,450,000	€	30.09.2028		28,343	1.48
Limacorporate FRN	11,640,000	€	01.02.2028		12,283	0.64
LionViaPolaris Lux 4 FRN	49,003,000	€	01.07.2026		51,638	2.70
Monitchem HoldCo 3 FRN	4,030,000	€	15.03.2025		4,307	0.23
Newday Bondco 13.25%	1,195,000	£	15.12.2026		1,433	0.07
Oriflame Investment Holding FRN	24,699,000	€	04.05.2026		16,109	0.84
Paganini Bidco FRN	55,428,000	€	30.10.2028		59,364	3.10
Parts Europe FRN	20,598,000	€	20.07.2027		22,143	1.16
PCF FRN	28,657,000	€	15.04.2026		29,233	1.53
Petróleos Mexicanos FRN	26,972,000	€	24.08.2023		29,263	1.53
PLT VII Finance FRN	16,797,000	€	05.01.2026		18,269	0.95
PrestigeBid FRN	1,800,000	€	15.07.2027		1,942	0.10
Promontoria Holding 264 FRN	17,267,000	€	01.03.2027		18,776	0.98
Q-Park Holding I FRN	29,712,000	€	01.03.2026		31,782	1.66
Ren10 Holding FRN	18,254,000	€	01.02.2027		19,293	1.01
Rimini Bidco FRN	28,552,000	€	14.12.2026		29,956	1.57
Rossini FRN	17,314,000	€	30.10.2025		18,818	0.98
SCIL IV Via SCIL USA Holdings FRN	16,867,000	€	01.11.2026		18,161	0.95
Sherwood Financing FRN	36,201,000	€	15.11.2027		36,896	1.93

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Sherwood Financing 4.5%	4,445,000	€	15.11.2026		4,168	0.22
Sisal Pay FRN	22,420,000	€	17.12.2026		23,845	1.25
Sofima Holding FRN	25,918,000	€	15.01.2028		27,787	1.45
Stonegate Pub Financing FRN	34,021,000	€	31.07.2025		35,403	1.85
Tendam Brands FRN	6,147,000	€	31.03.2028		6,577	0.34
Transcom Holding FRN	26,691,000	€	15.12.2026		28,927	1.51
Trivium Packaging Finance FRN	26,843,000	€	15.08.2026		28,679	1.50
TVL Finance FRN	30,034,000	£	15.07.2025		36,198	1.89
United Group FRN	25,153,000	€	15.05.2025		26,047	1.36
United Group FRN	21,141,000	€	15.02.2026		20,074	1.05
United Group FRN	20,031,000	€	01.02.2029		18,223	0.95
Verisure Holding FRN	5,538,000	€	15.04.2025		6,053	0.32
Vertical Midco FRN	35,995,000	€	15.07.2027		39,043	2.04
WEPA Hygieneprodukte FRN	9,932,000	€	15.12.2026		10,223	0.53
'CCC' credit rated bonds					**30,501**	**1.59**
AnaCap Financial Europe SICAV-RAIF FRN	18,053,000	€	01.08.2024		15,503	0.81
House of Fraser Funding 1%[a]	14,382,000	£	30.12.2050		46	0.00
Selecta Group 8%	12,892,713	€	01.04.2026		12,374	0.65
Selecta Group 10%	3,628,640	€	01.07.2026		2,578	0.13
'D' credit rated bonds						
Yuzhou Group Holdings 6.35%	9,176,000	US$	13.01.2027		**898**	**0.05**
Debt derivatives					**(419)**	**(0.02)**
Credit default swaps					**(419)**	**(0.02)**
Boparan Finance Dec 2026	4,000,000	€			(1,542)	(0.08)
Iceland Bondco Dec 2026	4,000,000	€			(678)	(0.04)
Iceland Bondco Jun 2026	8,000,000	€			(1,174)	(0.06)
Markit CDX North American High Yield Series 37 5 Year Dec 2026	94,050,000	US$			2,402	0.13
Markit CDX North American High Yield Series 39 5 Year Dec 2027	94,000,000	US$			573	0.03

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Currency					**(24,625)**	**(1.28)**
Forward currency contracts					**(24,625)**	**(1.28)**
Bought for € 33,495,658.31, Sold for US$ 36,140,812.79			19.04.2023		301	0.02
Bought for £ 1,058,571.88, Sold for US$ 1,305,420.82			19.04.2023		5	0.00
Bought for US$ 1,540,106,181.15, Sold for € 1,437,422,251.62			19.04.2023		(23,749)	(1.24)
Bought for US$ 45,863,288.38, Sold for £ 38,003,139.03			19.04.2023		(1,182)	(0.06)
Portfolio of investments					**1,761,570**	**92.05**
Cash equivalents					**72,187**	**3.77**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	72,186,987	US$			**72,187**	**3.77**
Share class hedging					**16,698**	**0.89**
Bought for AUD 3,725,954.43, Sold for US$ 2,477,334.94			19.04.2023		16	0.00
Bought for CHF 75,960,268.91, Sold for US$ 83,772,827.01			19.04.2023		(851)	(0.04)
Bought for € 1,158,307,450.05, Sold for US$ 1,241,709,886.19			19.04.2023		18,481	0.97
Bought for £ 10,729,106.63, Sold for US$ 12,987,991.79			19.04.2023		293	0.02
Bought for HKD 1,032,718.88, Sold for US$ 131,941.68			19.04.2023		0	0.00
Bought for SGD 5,862,391.63, Sold for US$ 4,350,103.74			19.04.2023		59	0.00
Bought for US$ 130,951.15, Sold for AUD 196,502.47			19.04.2023		(1)	0.00
Bought for US$ 10,415,033.18, Sold for CHF 9,606,877.13			19.04.2023		(71)	0.00
Bought for US$ 93,495,219.75, Sold for € 87,062,878.80			19.04.2023		(1,225)	(0.06)
Bought for US$ 199,609.49, Sold for £ 163,146.90			19.04.2023		(1)	0.00
Bought for US$ 1,870.04, Sold for HKD 14,646.31			19.04.2023		0	0.00
Bought for US$ 266,362.28, Sold for SGD 357,058.68			19.04.2023		(2)	0.00
Total portfolio					**1,850,455**	**96.71**
Net other assets/(liabilities)					63,448	3.29
Net assets					**1,913,903**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Debt securities	1,786,614	93.35
Swap contracts	2,975	0.16
Unrealised gains on forward currency contracts	19,155	1.01
Total Investment assets	**1,808,744**	**94.52**
Investment liabilities		
Swap contracts	(3,394)	(0.18)
Unrealised losses on forward currency contracts	(27,082)	(1.40)
Total Investment liabilities	**(30,476)**	**(1.58)**
Total portfolio	**1,778,268**	**92.94**
Cash equivalents	**72,187**	**3.77**
Net other assets/(liabilities)	**63,448**	**3.29**
Net assets	**1,913,903**	**100.00**

[a] Defaulted Bond.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

M&G (Lux) Global Floating Rate High Yield Fund

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures			
	Swaps US$'000	Forward currency contracts US$'000	Collateral held as cash US$'000	Collateral held as security US$'000
Barclays Bank London	188,050	0	33,059	0
Goldman Sachs International	8,696	0	0	1,139
HSBC Bank Plc	0	18,791	0	0
JP Morgan London	8,696	39,087	310	1,686
Standard Chartered Bank	0	92,655	0	767
State Street Bank and Trust Company	0	2,917,893	0	1,106
State Street Bank and Trust Company, London Branch	0	2,451,654	0	0
UBS AG London	0	668,530	2,480	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Australian dollar						
Class 'A-H' Accumulation	+2.8	+9.0	n/a	+1.9	n/a	08.04.19
Class 'A-H M' Distribution	+2.8	+9.0	n/a	+1.9	n/a	08.04.19
Class 'C-H' Accumulation	+3.6	+9.7	n/a	+2.6	n/a	08.04.19
Class 'C-H M' Distribution	+3.4	+9.7	n/a	+2.5	n/a	08.04.19

M&G (Lux) Global Floating Rate High Yield Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A-H' Accumulation	+1.4	+8.1	+1.2	+1.4	11.09.14	21.09.18
Class 'A-H' Distribution	+1.4	+8.1	+1.2	+1.4	11.09.14	21.09.18
Class 'B-H' Accumulation	+0.9	+7.6	+0.7	+1.1	11.09.15	21.09.18
Class 'B-H' Distribution	+0.9	+7.6	+0.7	+1.1	11.09.15	21.09.18
Class 'C-H' Accumulation	+2.1	+8.8	+1.8	+2.0	11.09.14	21.09.18
Class 'C-H' Distribution	+2.0	+8.8	+1.8	+2.0	11.09.14	21.09.18
Class 'CI-H' Accumulation	+2.1	+8.8	+1.9	+2.0	11.09.14	21.09.18
Class 'J-H' Accumulation	+2.1	n/a	n/a	+7.8	n/a	16.04.20
Class 'J-H' Distribution	+2.1	n/a	n/a	+7.8	n/a	16.04.20
Class 'JI-H' Accumulation	+2.2	n/a	n/a	+7.8	n/a	16.04.20
Class 'JI-H' Distribution	+2.1	n/a	n/a	+7.8	n/a	16.04.20
Hong Kong dollar						
Class 'A-H' Accumulation	+3.2	+9.6	n/a	+3.0	n/a	08.04.19
Class 'A-H M' Distribution	+2.9	+9.5	n/a	+2.9	n/a	08.04.19
Class 'C-H' Accumulation	+3.9	+10.3	n/a	+3.6	n/a	08.04.19
Class 'C-H M' Distribution	+3.9	+10.3	n/a	+3.7	n/a	08.04.19
Singapore dollar						
Class 'A-H' Distribution	+3.7	+9.6	+2.9	+3.2	16.01.15	21.09.18
Class 'A-H M' Distribution	+3.6	+9.6	+2.8	+3.4	09.10.15	21.09.18
Class 'C-H M' Distribution	+4.3	+10.2	+3.4	+4.0	09.10.15	21.09.18
Sterling						
Class 'A-H' Accumulation	+3.1	+9.2	n/a	+2.0	n/a	05.07.19
Class 'A-H' Distribution	+3.0	+9.2	n/a	+2.1	n/a	05.07.19
Class 'C-H' Accumulation	+3.5	n/a	n/a	+2.8	n/a	26.04.21
Class 'C-H' Distribution	+3.6	+9.8	n/a	+3.0	n/a	22.02.19
Class 'CI-H' Distribution	+3.7	+9.9	n/a	+2.9	n/a	14.03.19
Class 'J-H' Distribution	+3.7	n/a	n/a	+3.4	n/a	16.03.21
Class 'JI-H' Distribution	+3.6	n/a	n/a	+3.0	n/a	25.05.21

M&G (Lux) Global Floating Rate High Yield Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Swiss franc						
Class 'A-H' Accumulation	+0.8	+7.7	+0.9	+1.0	11.09.14	21.09.18
Class 'A-H' Distribution	+0.6	+7.7	+0.8	+1.6	14.12.15	21.09.18
Class 'C-H' Accumulation	+1.4	+8.4	+1.5	+1.6	11.09.14	21.09.18
Class 'C-H' Distribution	+1.2	+8.4	+1.4	+2.2	14.12.15	21.09.18
Class 'CI-H' Accumulation	+1.3	+8.3	+1.4	+1.6	11.09.14	21.09.18
Class 'J-H' Accumulation	+1.4	n/a	n/a	+7.4	n/a	16.04.20
Class 'J-H' Distribution	+1.3	n/a	n/a	+7.4	n/a	16.04.20
Class 'JI-H' Accumulation	+1.5	n/a	n/a	+7.5	n/a	16.04.20
Class 'JI-H' Distribution	+1.3	n/a	n/a	+7.4	n/a	16.04.20
US dollar						
Class 'A' Accumulation	+4.2	+9.9	+3.4	+3.3	11.09.14	21.09.18
Class 'A' Distribution	+4.2	+9.9	+3.4	+3.3	11.09.14	21.09.18
Class 'A M' Distribution	+4.2	+9.9	+3.4	+3.7	09.10.15	21.09.18
Class 'C' Accumulation	+4.8	+10.5	+4.0	+3.9	11.09.14	21.09.18
Class 'C' Distribution	+4.8	+10.5	+4.0	+3.9	11.09.14	21.09.18
Class 'C M' Distribution	+4.8	+10.5	+4.0	+4.4	09.10.15	21.09.18
Class 'CI' Accumulation	+4.9	+10.6	+4.1	+3.9	11.09.14	21.09.18
Class 'J' Accumulation	+4.9	n/a	n/a	+9.5	n/a	16.04.20
Class 'J' Distribution	+4.9	n/a	n/a	+9.5	n/a	16.04.20
Class 'JI' Accumulation	+5.0	n/a	n/a	+9.6	n/a	16.04.20
Class 'JI' Distribution	+5.0	n/a	n/a	+9.6	n/a	16.04.20

[a] Sub-fund performance before the launch of the sub-fund on 13 September 2018 is that of the relevant Merged Share Class of the M&G Global Floating Rate High Yield Fund, which includes UK taxes but excludes entry and exit charges. The M&G Global Floating Rate High Yield Fund is a UK authorised sub-fund which launched on 11 September 2014 and its non-Sterling share classes merged into M&G (Lux) Global Floating Rate High Yield Fund on 7 December 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Australian dollar		**AU$**	**AU$**	**AU$**
Class 'A-H' Accumulation	47,229.861	10.7909	10.4956	10.3171
Class 'A-H M' Distribution	334,176.930	8.8798	9.1301	9.3821
Class 'C-H' Accumulation	4,466.000	11.0634	10.6840	10.4334
Class 'C-H M' Distribution	4,467.000	9.1015	9.3036	9.4986
Euro		**€**	**€**	**€**
Class 'A-H' Accumulation	43,519,959.722	10.4910	10.3448	10.2376
Class 'A-H' Distribution	12,984,162.217	8.4535	8.7678	9.0616
Class 'B-H' Accumulation	4,691,336.480	10.2628	10.1703	10.1136
Class 'B-H' Distribution	1,948,895.741	8.2602	8.6113	8.9439
Class 'C-H' Accumulation	18,103,819.372	10.7893	10.5712	10.3957
Class 'C-H' Distribution	1,312,041.021	8.6812	8.9529	9.1981
Class 'CI-H' Accumulation	6,333,117.544	10.8139	10.5928	10.4131
Class 'J-H' Accumulation	2,034,455.248	12.4999	12.2409	12.0229
Class 'J-H' Distribution	449,970.634	10.8082	11.1343	11.4247
Class 'JI-H' Accumulation	11,503,433.301	12.5234	12.2560	12.0257
Class 'JI-H' Distribution	4,615.000	10.8201	11.1420	11.4280
Hong Kong dollar		**HK$**	**HK$**	**HK$**
Class 'A-H' Accumulation	2,479.200	112.5935	109.0515	106.9591
Class 'A-H M' Distribution	2,479.300	92.3794	94.9169	97.3215
Class 'C-H' Accumulation	2,479.400	115.3025	111.0058	108.2294
Class 'C-H M' Distribution	2,479.500	94.9361	96.6472	98.4868
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A-H' Distribution	100,588.632	9.0795	9.2163	9.4311
Class 'A-H M' Distribution	473,249.352	9.0031	9.1880	9.4088
Class 'C-H M' Distribution	40,905.188	9.2464	9.3791	9.5476

M&G (Lux) Global Floating Rate High Yield Fund

Financial highlights

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Sterling		**£**	**£**	**£**
Class 'A-H' Accumulation	48,918.773	10.7834	10.4552	10.2690
Class 'A-H' Distribution	56,748.523	9.0910	9.2855	9.5244
Class 'C-H' Accumulation	10,039.784	10.5462	10.1850	n/a
Class 'C-H' Distribution	64,512.051	9.3827	9.5279	9.7134
Class 'CI-H' Distribution	398,474.332	9.2573	9.3969	9.5796
Class 'J-H' Distribution	522,424.223	9.8182	9.9637	10.0504
Class 'JI-H' Distribution	4,600.000	9.7712	9.9220	n/a
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	1,141,513.523	10.3436	10.2656	10.1783
Class 'A-H' Distribution	432,767.973	8.3179	8.6963	9.0067
Class 'C-H' Accumulation	839,957.997	10.6256	10.4826	10.3299
Class 'C-H' Distribution	560,134.520	8.5420	8.8802	9.1425
Class 'CI-H' Accumulation	4,600.000	10.5904	10.4511	10.3301
Class 'J-H' Accumulation	1,939,997.932	12.3780	12.2012	12.0083
Class 'J-H' Distribution	591,696.224	10.6869	11.0984	11.4114
Class 'JI-H' Accumulation	599,550.000	12.3979	12.2109	12.0087
Class 'JI-H' Distribution	4,605.000	10.6969	11.1043	11.4122
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	17,392,901.517	11.5391	11.0744	10.8554
Class 'A' Distribution	6,527,619.802	9.2929	9.3853	9.6094
Class 'A M' Distribution	6,210,326.126	9.2196	9.3574	9.5869
Class 'C' Accumulation	11,982,646.390	11.8586	11.3133	11.0229
Class 'C' Distribution	3,032,281.522	9.5513	9.5879	9.7570
Class 'C M' Distribution	471,749.028	9.4755	9.5595	9.7348
Class 'CI' Accumulation	1,917,013.726	11.8801	11.3295	11.0339
Class 'J' Accumulation	3,228,225.479	13.1073	12.4921	12.1555
Class 'J' Distribution	1,564,217.175	11.3334	11.3657	11.5509
Class 'JI' Accumulation	2,004,824.198	13.1253	12.5046	12.1615
Class 'JI' Distribution	3,839,715.152	11.3483	11.3763	11.5565

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	1,913,903	2,684,116	1,344,328
Swing pricing adjustment (see note 10)	n/a	n/a	5,558
Swing net assets	**1,913,903**	**2,684,116**	**1,349,886**

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Australian dollar	**%**
Class 'A-H' Accumulation	1.20
Class 'A-H M' Distribution	1.20
Class 'C-H' Accumulation	0.60
Class 'C-H M' Distribution	0.59
Euro	**%**
Class 'A-H' Accumulation	1.20
Class 'A-H' Distribution	1.20
Class 'B-H' Accumulation	1.70
Class 'B-H' Distribution	1.70
Class 'C-H' Accumulation	0.60
Class 'C-H' Distribution	0.60
Class 'CI-H' Accumulation	0.56
Class 'J-H' Accumulation	0.49
Class 'J-H' Distribution	0.50
Class 'JI-H' Accumulation	0.46
Class 'JI-H' Distribution	0.46
Hong Kong dollar	**%**
Class 'A-H' Accumulation	1.20
Class 'A-H M' Distribution	1.18
Class 'C-H' Accumulation	0.60
Class 'C-H M' Distribution	0.59
Singapore dollar	**%**
Class 'A-H' Distribution	1.20
Class 'A-H M' Distribution	1.19
Class 'C-H M' Distribution	0.60
Sterling	**%**
Class 'A-H' Accumulation	1.20
Class 'A-H' Distribution	1.20
Class 'C-H' Accumulation	0.60
Class 'C-H' Distribution	0.59
Class 'CI-H' Distribution	0.56
Class 'J-H' Distribution	0.50
Class 'JI-H' Distribution	0.47

M&G (Lux) Global Floating Rate High Yield Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Swiss franc	**%**
Class 'A-H' Accumulation	1.20
Class 'A-H' Distribution	1.20
Class 'C-H' Accumulation	0.59
Class 'C-H' Distribution	0.60
Class 'CI-H' Accumulation	0.56
Class 'J-H' Accumulation	0.50
Class 'J-H' Distribution	0.50
Class 'JI-H' Accumulation	0.46
Class 'JI-H' Distribution	0.46
US dollar	**%**
Class 'A' Accumulation	1.17
Class 'A' Distribution	1.17
Class 'A M' Distribution	1.18
Class 'C' Accumulation	0.58
Class 'C' Distribution	0.57
Class 'C M' Distribution	0.58
Class 'CI' Accumulation	0.54
Class 'J' Accumulation	0.48
Class 'J' Distribution	0.48
Class 'JI' Accumulation	0.44
Class 'JI' Distribution	0.44

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The review period began with high yield bond credit spreads widening. Higher US Treasury yields, an increasingly pessimistic (and inflation-fuelled) global growth outlook and COVID-19 lockdowns in China all hurt investor sentiment.

Following rapid interest rate hikes by central banks, government bond yields rose sharply in the first half of the review period. However, bond yields tapered to lower levels after autumn. Credit spreads (the difference between the yield of a corporate bond and a government bond of the same maturity) had followed suit with European high yield spreads tightening considerably against the US since October 2022.

Despite turmoil in the banking sector sparking fears of a broader contagion across the financial system in March, global high yield spreads recovered by the end of the review period.

Against this challenging background, the sub-fund delivered a negative return and underperformed the global high yield bond markets as represented by the ICE BofAML Global HY Index USD hedged. On the whole, our credit positioning contributed positively with good security selection, notably in North America. Credit selection in the media, leisure and financial services sectors added value. However, our security selection in real estate, energy and healthcare weighed on performance.

The sub-fund's top contributors over the review period included German lender Deutsche Bank and Italian state-owned bank Monte dei Paschi di Siena. French retailer Casino Guichard Perrachon and European commercial property operator CPI Property Group were notable detractors.

At the country level, our overweight exposure to European bonds contributed positively while underweight positions in Asian and North American bonds also added value. Our Middle East and Latin American bonds detracted.

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.

Investment activities

We made modest adjustments as we increased our cash position over the period. At the country level, we trimmed our European assets and increased US exposure following the strong rally in European assets in the latter part of the review period.

The heightened credit spreads volatility provided opportunities to make modest adjustments to our tactical positioning. We reduced our cyclical risk by selling outperforming issuers such as Dufry, Macy's, Sally Beauty and Olin. We favoured issuers in non-cyclical areas and purchased aerospace firm Spirit AeroSystems and added to an existing position in Thyssenkrupp Elevator. Other secondary trades included purchasing Viking, Spirit Airlines and Calpine.

At the start of 2023, we increased our US exposure and bought new issues in the primary (new issue) market. We also added US energy issuers in the secondary market. Our bottom-up analysis (analysing issues based on the attractiveness of fundamental characteristics of companies) helped us to reduce Total Play, Belden and iQera. We also reduced Société Générale's AT1s and sold positions in US issuers such as Townsquare Media, Zayo, Endo and Simmons Foods. Additional-tier 1 (AT1s) bonds are a form of convertible bond issued by banks that are a hybrid of bank equity and debt.

The primary market remained relatively quiet for most of the review period as high interest rates discouraged issuers. Nevertheless, we participated in several new deals mainly from the US. These included Ford Motor Credit, Royal Caribbean, Dish, Spirit AeroSystems, Spirit Airlines, Clean Harbors, Sealed Air, Mauser Packaging, Atlas Air and Frontier. Elsewhere, we bought Verisure, Ecopetrol, Eurobank, ZF Group and Nexans in the primary market.

Outlook

We remain generally neutral on valuations as we believe technical elements (supply/demand imbalance,

Investment review

attractive all-in yields) remain supportive of the high yield asset class, thereby will help to contain credit spreads. Fundamentals are generally supportive for the moment, in our opinion, although we need to focus on credit analysis to avoid issuer-specific risk.

We expect a shallower default cycle compared to what is currently being priced in by financial markets. Moving forward, we are generally concentrating on higher-quality issuers and non-cyclical sectors, such as healthcare and technology, media and telecommunications.

Stefan Isaacs and James Tomlins
Co-sub-fund managers

Investment review information as at 31 March 2023.

Employees of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**0**	**0.00**
Equities					**0**	**0.00**
K2016470219 South Africa[a]	417,745	ZAR			0	0.00
New World Resources 'A'[a]	5,046,536	£			0	0.00
Codere[a]	78,462	€			0	0.00
Warrants					**0**	**0.00**
Chaparral Energy 'A' (Warrant)[a]	19	US$	01.10.2024		0	0.00
Chaparral Energy 'A' (Warrant)[a]	19	US$	01.10.2025		0	0.00
Fixed income					**60,561**	**90.38**
Debt securities					**60,707**	**90.60**
'A' credit rated bonds						
TotalEnergies FRN	107,000	€	29.12.2049		**110**	**0.16**
'BBB' credit rated bonds					**2,672**	**3.99**
Continental Resources 5.75%	400,000	US$	15.01.2031		382	0.57
Deutsche Bank FRN	200,000	€	17.02.2032		160	0.24
HCA 4.5%	368,000	US$	15.02.2027		359	0.54
NGPL PipeCo 4.875%	300,000	US$	15.08.2027		290	0.43
Orano 4.875%	100,000	€	23.09.2024		111	0.16
Pacific Gas and Electric 4.55%	225,000	US$	01.07.2030		208	0.31
Stora Enso 7.25%	362,000	US$	15.04.2036		389	0.58
Targa Resources Partners Via Targa Resources Partners Finance 4%	500,000	US$	15.01.2032		434	0.65
Targa Resources Partners Via Targa Resources Partners Finance 4.875%	300,000	US$	01.02.2031		280	0.42
United Airlines 4.875%	62,221	US$	15.07.2027		59	0.09
'BB' credit rated bonds					**27,885**	**41.62**
ABN AMRO Bank FRN	200,000	€	31.12.2099		173	0.26
Albertsons Companies Via Safeway Via New Albertsons Via Albertsons 3.5%	90,000	US$	15.03.2029		78	0.12
Albertsons Companies Via Safeway Via New Albertsons Via Albertsons 5.875%	250,000	US$	15.02.2028		247	0.37
American Airlines Via AAdvantage Loyalty 5.5%	172,105	US$	20.04.2026		169	0.25
Antero Midstream Partners Via Antero Midstream Finance 5.75%	300,000	US$	15.01.2028		288	0.43
B&M European Value Retail 4%	100,000	£	15.11.2028		105	0.16

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Banco Bilbao Vizcaya Argentaria FRN	200,000	€	31.12.2099		204	0.30
Bath & Body Works 6.625%	285,000	US$	01.10.2030		275	0.41
Bath & Body Works 6.75%	115,000	US$	01.07.2036		101	0.15
BC Via New Red Finance 3.875%	215,000	US$	15.01.2028		198	0.30
BC Via New Red Finance 5.75%	150,000	US$	15.04.2025		150	0.22
Belden 3.375%	149,000	€	15.07.2027		149	0.22
Belden 3.875%	100,000	€	15.03.2028		101	0.15
Berry Global 4.875%	250,000	US$	15.07.2026		243	0.36
Calpine 4.5%	350,000	US$	15.02.2028		323	0.48
Canpack Via Canpack US 3.875%	200,000	US$	15.11.2029		159	0.24
Canpack Via Eastern PA Land Investment Holding 2.375%	101,000	€	01.11.2027		90	0.13
Carnival 4%	425,000	US$	01.08.2028		365	0.54
Cellnex Finance 1%	200,000	€	15.09.2027		185	0.28
Cheniere Energy Partners 3.25%	90,000	US$	31.01.2032		74	0.11
Cheniere Energy Partners 4.5%	175,000	US$	01.10.2029		163	0.24
Citycon FRN	221,000	€	31.12.2099		127	0.19
Clean Harbors 6.375%	140,000	US$	01.02.2031		142	0.21
Commerzbank FRN	200,000	€	31.03.2099		184	0.27
CPI Property Group FRN	362,000	€	31.12.2099		176	0.26
Crowdstrike Holdings 3%	200,000	US$	15.02.2029		173	0.26
Crown Americas Via Crown Americas Capital 4.25%	292,000	US$	30.09.2026		277	0.41
Deutsche Bank FRN	100,000	€	24.06.2032		94	0.14
Dometic Group 2%	183,000	€	29.09.2028		153	0.23
Domtar 6.75%	174,000	US$	01.10.2028		155	0.23
Drax Finco 2.625%	141,000	€	01.11.2025		146	0.22
DT Midstream 4.125%	200,000	US$	15.06.2029		176	0.26
DT Midstream 4.375%	375,000	US$	15.06.2031		321	0.48
Ecopetrol 6.875%	250,000	US$	29.04.2030		227	0.34
Ecopetrol 8.875%	94,000	US$	13.01.2033		94	0.14
Energean Israel Finance 5.875%	200,000	US$	30.03.2031		176	0.26

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
EQM Midstream Partners 4.5%	300,000	US$	15.01.2029		253	0.38
EQM Midstream Partners 5.5%	120,000	US$	15.07.2028		108	0.16
EQM Midstream Partners 6.5%	200,000	US$	01.07.2027		191	0.29
Eurofins Scientific FRN	100,000	€	31.12.2099		100	0.15
Ford Motor 6.1%	495,000	US$	19.08.2032		472	0.70
Ford Motor Credit 4%	350,000	US$	13.11.2030		295	0.44
Ford Motor Credit 4.95%	750,000	US$	28.05.2027		705	1.05
Greenko Solar Mauritius 5.55%	250,000	US$	29.01.2025		240	0.36
Grifols Escrow Issuer 2.25%	178,000	€	15.11.2027		165	0.25
Grupo KUO 5.75%	244,000	US$	07.07.2027		221	0.33
Heimstaden FRN	200,000	€	31.12.2099		105	0.16
Hilcorp Energy I Via Hilcorp Finance 5.75%	250,000	US$	01.02.2029		227	0.34
Huhtamäki 4.25%	100,000	€	09.06.2027		106	0.16
Icahn Enterprises Via Icahn Enterprises Finance 4.75%	250,000	US$	15.09.2024		244	0.36
INEOS Quattro Finance 2 2.5%	169,000	€	15.01.2026		165	0.25
Infineon Technologies FRN	200,000	€	31.12.2099		198	0.30
Infrastrutture Wireless Italiane 1.875%	151,000	€	08.07.2026		155	0.23
Intrum 3.5%	300,000	€	15.07.2026		272	0.41
Jazz Securities 4.375%	435,000	US$	15.01.2029		398	0.59
KB Home 4.8%	250,000	US$	15.11.2029		229	0.34
KBC Group FRN	400,000	€	31.12.2099		365	0.54
Leonardo 2.375%	246,000	€	08.01.2026		256	0.38
Levi Strauss 3.375%	215,000	€	15.03.2027		219	0.33
Levi Strauss 3.5%	269,000	US$	01.03.2031		229	0.34
Lloyds Banking Group FRN	200,000	€	31.12.2049		195	0.29
LPL Holdings 4%	200,000	US$	15.03.2029		179	0.27
Macy's Retail Holdings 5.875%	270,000	US$	01.04.2029		246	0.37
Macy's Retail Holdings 5.875%	12,000	US$	15.03.2030		11	0.02
Mahle 2.375%	200,000	€	14.05.2028		167	0.25
Melco Resorts Finance 5.375%	200,000	US$	04.12.2029		164	0.24

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Meritage Homes 3.875%	165,000	US$	15.04.2029		146	0.22
Millicom International Cellular 4.5%	200,000	US$	27.04.2031		159	0.24
Millicom International Cellular 4.5%	229,000	US$	27.04.2031		183	0.27
Nationwide Building Society FRN	200,000	£	31.12.2099		223	0.33
Network i2i FRN	300,000	US$	31.12.2099		264	0.39
Norddeutsche Landesbank-Girozentrale 6.25%	200,000	US$	10.04.2024		193	0.29
Nordstrom 4.25%	245,000	US$	01.08.2031		173	0.26
Occidental Petroleum 5.5%	86,000	US$	01.12.2025		86	0.13
Occidental Petroleum 6.625%	275,000	US$	01.09.2030		289	0.43
Olin 5%	493,000	US$	01.02.2030		456	0.68
Petrobras Global Finance 5.6%	200,000	US$	03.01.2031		189	0.28
Pilgrim's Pride 3.5%	277,000	US$	01.03.2032		223	0.33
Pilgrim's Pride 4.25%	463,000	US$	15.04.2031		399	0.60
Pinewood Finance 3.625%	200,000	£	15.11.2027		221	0.33
Playtech 4.25%	530,000	€	07.03.2026		557	0.83
PRA Health Sciences 2.875%	200,000	US$	15.07.2026		182	0.27
Premier Foods Finance 3.5%	220,000	£	15.10.2026		248	0.37
Rand Parent 8.5%	341,000	US$	15.02.2030		319	0.48
Range Resources 8.25%	140,000	US$	15.01.2029		146	0.22
Rede D'Ór Finance 4.95%	200,000	US$	17.01.2028		180	0.27
Rexel 2.125%	400,000	€	15.12.2028		379	0.57
Rolls-Royce 1.625%	480,000	€	09.05.2028		434	0.65
Sappi Papier Holding 3.625%	399,000	€	15.03.2028		379	0.57
Schaeffler 2.75%	200,000	€	12.10.2025		211	0.32
Seagate HDD Cayman 4.875%	350,000	US$	01.03.2024		345	0.52
Sealed Air Corp 6.125%	70,000	US$	01.02.2028		70	0.10
Sirius XM Radio 5%	477,000	US$	01.08.2027		440	0.66
Société Générale FRN	200,000	US$	29.12.2049		187	0.28
SoftBank Group 3.875%	325,000	€	06.07.2032		258	0.39
Southwestern Energy 4.75%	83,000	US$	01.02.2032		72	0.11

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Spirit AeroSystems 9.375%	107,000	US$	30.11.2029		116	0.17
Spirit Loyalty Cayman Via Spirit IP Cayman 8%	455,029	US$	20.09.2025		452	0.67
Sprint 7.125%	650,000	US$	15.06.2024		661	0.99
Sprint 7.875%	465,000	US$	15.09.2023		470	0.70
TEGNA 4.625%	408,000	US$	15.03.2028		357	0.53
Tereos Finance Groupe I 4.75%	154,000	€	30.04.2027		155	0.23
Tereos Finance Groupe I 7.5%	200,000	€	30.10.2025		222	0.33
Teva Pharmaceutical Finance Netherlands II 1.625%	113,000	€	15.10.2028		96	0.14
Teva Pharmaceutical Finance Netherlands II 1.875%	100,000	€	31.03.2027		92	0.14
Teva Pharmaceutical Finance Netherlands III 3.15%	200,000	US$	01.10.2026		181	0.27
Teva Pharmaceutical Finance Netherlands III 6.75%	200,000	US$	01.03.2028		199	0.30
UBS Group FRN	200,000	US$	29.12.2049		188	0.28
UniCredit FRN	350,000	€	31.12.2099		359	0.54
United Airlines 4.375%	200,000	US$	15.04.2026		189	0.28
United Airlines 4.625%	122,000	US$	15.04.2029		108	0.16
Virgin Media Secured Finance 4.125%	300,000	£	15.08.2030		303	0.45
Virgin Media Secured Finance 5.25%	400,000	£	15.05.2029		433	0.65
Vivo Energy Investments 5.125%	240,000	US$	24.09.2027		220	0.33
Vodafone Group FRN	271,000	US$	04.04.2079		266	0.40
Vodafone Group FRN	250,000	€	27.08.2080		245	0.37
Western Midstream Operating 4.5%	200,000	US$	01.03.2028		188	0.28
WMG Acquisition 2.25%	303,000	€	15.08.2031		262	0.39
WMG Acquisition 2.75%	145,000	€	15.07.2028		142	0.21
Yum! Brands 3.875%	175,000	US$	01.11.2023		173	0.26
Yum! Brands 5.375%	286,000	US$	01.04.2032		274	0.41
ZF Europe Finance 2.5%	100,000	€	23.10.2027		95	0.14
ZF Europe Finance 3%	200,000	€	23.10.2029		184	0.27
ZF Finance 2.75%	100,000	€	25.05.2027		97	0.14
ZF Finance 3.75%	100,000	€	21.09.2028		97	0.14
ZF Finance 5.75%	100,000	€	03.08.2026		109	0.16

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds					**24,067**	**35.92**
888 Acquisitions 7.558%	300,000	€	15.07.2027		278	0.41
AdaptHealth 5.125%	434,000	US$	01.03.2030		366	0.55
Altice France 4%	171,000	€	15.07.2029		140	0.21
Altice France 4.125%	193,000	€	15.01.2029		163	0.24
American Airlines 7.25%	170,000	US$	15.02.2028		163	0.24
Ardagh Packaging Finance Via Ardagh Holdings USA 5.25%	200,000	US$	30.04.2025		197	0.29
Ascent Resources Utica Holdings Via ARU Finance 5.875%	200,000	US$	30.06.2029		177	0.26
Ascent Resources Utica Holdings Via ARU Finance 8.25%	250,000	US$	31.12.2028		241	0.36
Ashton Woods USA Via Ashton Woods Finance 4.625%	567,000	US$	01.08.2029		460	0.69
Avantor Funding 3.875%	400,000	€	15.07.2028		407	0.61
Axalta Coating Systems Dutch Holding 'B' 3.75%	200,000	€	15.01.2025		215	0.32
Barclays FRN	200,000	£	31.12.2099		220	0.33
Bellis Acquisition 3.25%	325,000	£	16.02.2026		330	0.49
Bellis Acquisition 4.5%	165,000	£	16.02.2026		173	0.26
Boxer Parent 6.5%	250,000	€	02.10.2025		270	0.40
Burger King France FRN	188,000	€	01.11.2026		203	0.30
Caesars Entertainment 4.625%	55,000	US$	15.10.2029		48	0.07
Caesars Entertainment 6.25%	425,000	US$	01.07.2025		423	0.63
Caesars Entertainment 8.125%	150,000	US$	01.07.2027		152	0.23
Carnival Holdings 10.375%	279,000	US$	01.05.2028		299	0.45
Castle UK Finco 7%	224,000	£	15.05.2029		221	0.33
CCO Holdings Via CCO Holdings Capital 4.25%	250,000	US$	01.02.2031		204	0.30
CCO Holdings Via CCO Holdings Capital 4.5%	144,000	US$	01.05.2032		116	0.17
CCO Holdings Via CCO Holdings Capital 5.125%	668,000	US$	01.05.2027		627	0.94
Cheplapharm Arzneimittel 4.375%	250,000	€	15.01.2028		253	0.38
CHS Via Community Health Systems 4.75%	440,000	US$	15.02.2031		323	0.48
CNX Resources 7.375%	396,000	US$	15.01.2031		383	0.57
Comstock Resources 6.75%	350,000	US$	01.03.2029		313	0.47

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Constellation Automotive Financing 4.875%	205,000	£	15.07.2027		187	0.28
CPUK Finance 4.5%	100,000	£	28.08.2027		105	0.16
CPUK Finance 6.5%	127,000	£	28.08.2026		149	0.22
CSC Holdings 4.5%	250,000	US$	15.11.2031		177	0.26
Cullinan Holdco 4.625%	144,000	€	15.10.2026		139	0.21
DaVita 3.75%	112,000	US$	15.02.2031		87	0.13
Deuce FinCo 5.5%	204,000	£	15.06.2027		211	0.31
DISH DBS 5.25%	116,000	US$	01.12.2026		91	0.14
DISH DBS 5.75%	116,000	US$	01.12.2028		85	0.13
DISH Network 11.75%	289,000	US$	15.11.2027		275	0.41
Durfy One 3.375%	150,000	€	15.04.2028		144	0.21
Électricité de France FRN	170,000	US$	29.12.2049		165	0.25
Eurobank FRN	400,000	€	26.01.2029		424	0.63
Frontier Communications Holdings 8.625%	225,000	US$	15.03.2031		220	0.33
Gamma Bidco 5.125%	243,000	€	15.07.2025		261	0.39
Genesis Energy Via Genesis Energy Finance 8%	211,000	US$	15.01.2027		206	0.31
Grifols Escrow Issuer 3.875%	230,000	€	15.10.2028		196	0.29
Heathrow Finance 3.875%	275,000	£	01.03.2027		297	0.44
iHeartCommunications 4.75%	141,000	US$	15.01.2028		111	0.17
Iliad Holding 5.125%	331,000	€	15.10.2026		347	0.52
INEOS Quattro Finance 1 3.75%	150,000	€	15.07.2026		142	0.21
Iqera Group FRN	210,000	€	15.02.2027		208	0.31
Jaguar Land Rover Automotive 7.75%	265,000	US$	15.10.2025		258	0.38
Kenbourne Invest 4.7%	286,000	US$	22.01.2028		167	0.25
LCPR Senior Secured Financing 5.125%	250,000	US$	15.07.2029		208	0.31
Lincoln Financing 3.625%	134,459	€	01.04.2024		145	0.22
Mauser Packaging Solutions Holding 7.875%	80,000	US$	15.08.2026		80	0.12
McGraw-Hill Education 5.75%	87,000	US$	01.08.2028		76	0.11
Medline Borrower 3.875%	400,000	US$	01.04.2029		345	0.51
MGM China Holdings 4.75%	200,000	US$	01.02.2027		179	0.27

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Midas Opco Holdings 5.625%	475,000	US$	15.08.2029		417	0.62
NCR 5%	300,000	US$	01.10.2028		260	0.39
Novo Banco FRN	100,000	€	06.07.2028		104	0.16
Ocado Group 3.875%	371,000	£	08.10.2026		343	0.51
Owens & Minor 4.5%	250,000	US$	31.03.2029		196	0.29
Owens & Minor 6.625%	94,000	US$	01.04.2030		78	0.12
Owens-Brockway Glass Container 6.375%	150,000	US$	15.08.2025		151	0.23
Owens-Brockway Glass Container 6.625%	49,000	US$	13.05.2027		48	0.07
PCF 4.75%	100,000	€	15.04.2026		95	0.14
Performance Food Group 5.5%	107,000	US$	15.10.2027		104	0.16
Permian Resources Operating 5.875%	375,000	US$	01.07.2029		348	0.52
Petróleos Mexicanos 4.75%	285,000	€	26.02.2029		245	0.37
Petróleos Mexicanos 6.5%	1,180,000	US$	13.03.2027		1,061	1.58
Petróleos Mexicanos 6.625%	295,000	US$	15.06.2035		212	0.32
Petróleos Mexicanos 6.7%	561,000	US$	16.02.2032		441	0.66
PetSmart Via PetSmart Finance 4.75%	518,000	US$	15.02.2028		486	0.73
PLT VII Finance 4.625%	135,000	€	05.01.2026		138	0.21
Prestige Brands 3.75%	239,000	US$	01.04.2031		204	0.30
Promontoria Holding 264 6.375%	223,000	€	01.03.2027		234	0.35
Q-Park Holding I 2%	200,000	€	01.03.2027		182	0.27
Royal Caribbean Cruises 5.375%	192,000	US$	15.07.2027		171	0.26
Royal Caribbean Cruises 7.25%	39,000	US$	15.01.2030		39	0.06
Royal Caribbean Cruises 9.25%	370,000	US$	15.01.2029		392	0.58
SCIH Salt Holdings 4.875%	230,000	US$	01.05.2028		203	0.30
Sherwood Financing 6%	150,000	£	15.11.2026		154	0.23
Spirit AeroSystems 7.5%	300,000	US$	15.04.2025		300	0.45
Standard Industries 4.375%	48,000	US$	15.07.2030		41	0.06
Staples 7.5%	215,000	US$	15.04.2026		186	0.28
Studio City Finance 6.5%	400,000	US$	15.01.2028		337	0.50
Summer BidCo 9%	403,724	€	15.11.2025		345	0.51

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Telecom Italia 3.625%	200,000	€	25.05.2026		209	0.31
Tenet Healthcare 4.875%	292,000	US$	01.01.2026		285	0.43
Tenet Healthcare 5.125%	513,000	US$	01.11.2027		493	0.74
Tenet Healthcare 6.125%	15,000	US$	01.10.2028		14	0.02
TI Automotive Finance 3.75%	100,000	€	15.04.2029		83	0.12
Total Play Telecomunicaciones 6.375%	250,000	US$	20.09.2028		122	0.18
Trivium Packaging Finance 3.75%	350,000	€	15.08.2026		352	0.53
Unifrax Escrow Issuer 5.25%	289,000	US$	30.09.2028		229	0.34
Vertical Midco 4.375%	300,000	€	15.07.2027		296	0.44
Vertiv Group Corp 4.125%	234,000	US$	15.11.2028		206	0.31
Viking Ocean Cruises Ship VII 5.625%	185,000	US$	15.02.2029		158	0.24
Virgin Media Vendor Financing Notes III 4.875%	400,000	£	15.07.2028		423	0.63
Voyage Care Bondco 5.875%	200,000	£	15.02.2027		206	0.31
VTR Comunicaciones 4.375%	250,000	US$	15.04.2029		157	0.23
Wynn Las Vegas Via Wynn Las Vegas Capital 5.5%	100,000	US$	01.03.2025		98	0.15
Wynn Macau 5.625%	200,000	US$	26.08.2028		171	0.25
'CCC' credit rated bonds					**5,609**	**8.37**
Altice France Holding 4%	200,000	€	15.02.2028		144	0.21
Ardagh Metal Packaging Finance 4%	200,000	US$	01.09.2029		153	0.23
Ardagh Metal Packaging Finance 4.75%	100,000	£	15.07.2027		95	0.14
Bausch Health 4.875%	160,000	US$	01.06.2028		93	0.14
Bausch Health 11%	61,000	US$	30.09.2028		44	0.06
Bausch Health 14%	12,000	US$	15.10.2030		7	0.01
Casino Guichard Perrachon 5.25%	100,000	€	15.04.2027		32	0.05
Casino Guichard Perrachon 6.625%	250,000	€	15.01.2026		84	0.12
CHS Via Community Health Systems 6.875%	146,000	US$	15.04.2029		89	0.13
CommScope Finance 8.25%	225,000	US$	01.03.2027		180	0.27
CSC Holdings 7.5%	220,000	US$	01.04.2028		141	0.21
Glatfelter 4.75%	307,000	US$	15.11.2029		203	0.30
Herens Midco 5.25%	200,000	€	15.05.2029		146	0.22

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'CCC' credit rated bonds (continued)						
Kaixo Bondco Telecom 5.125%	200,000	€	30.09.2029		191	0.28
Mav Acquisition 8%	393,000	US$	01.08.2029		315	0.47
Mclaren Finance 7.5%	200,000	US$	01.08.2026		165	0.25
Mozart Debt Merger Sub 5.25%	125,000	US$	01.10.2029		107	0.16
Sani/Ikos Financial Holdings 1 5.625%	200,000	€	15.12.2026		202	0.30
Scientific Games Holdings Via Scientific Games FinCo 6.625%	409,000	US$	01.03.2030		359	0.54
SCIH Salt Holdings 6.625%	254,000	US$	01.05.2029		199	0.30
Selecta Group 8%	143,214	€	01.04.2026		138	0.21
Selecta Group 10%	77,088	€	01.07.2026		55	0.08
Sigma Holdco 5.75%	400,000	€	15.05.2026		349	0.52
Staples 10.75%	269,000	US$	15.04.2027		192	0.29
Superior Industries International 6%	450,000	€	15.06.2025		446	0.66
Techem Verwaltungsgesellschaft 6%	129,242	€	30.07.2026		134	0.20
Transocean 11.5%	141,000	US$	30.01.2027		145	0.22
Transocean 11.5%	163,000	US$	30.01.2027		168	0.25
Triton Water Holdings 6.25%	472,000	US$	01.04.2029		368	0.55
Unifrax Escrow Issuer 7.5%	46,000	US$	30.09.2029		31	0.05
Verisure Midholding 5.25%	400,000	€	15.02.2029		362	0.54
WP/AP Telecom Holdings III 5.5%	300,000	€	15.01.2030		272	0.41
'CC' credit rated bonds						
ADLER Group 5%	200,000	€	14.01.2029		**80**	**0.12**
'C' credit rated bonds						
Bausch Health 5%	92,000	US$	15.02.2029		**35**	**0.05**
'D' credit rated bonds					**153**	**0.23**
Kaisa Group Holdings 11.25%	200,000	US$	16.04.2025		26	0.04
Lehman Brothers Holdings FRN[a]	300,000	€	26.09.2040		0	0.00
Sunac China Holdings 6.5%	240,000	US$	10.01.2025		59	0.09
Yuzhou Group Holdings 7.85%	500,000	US$	12.08.2026		49	0.07
Yuzhou Group Holdings 8.3%	200,000	US$	27.05.2025		19	0.03

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Bonds with no credit rating					**96**	**0.14**
1375209 BC 9%	34,000	US$	30.01.2028		34	0.05
JC Penney 6.375%[a]	87,000	US$	15.10.2036		0	0.00
K2016470219 South Africa FRN[a]	36,201	US$	31.12.2049		0	0.00
KWG Group Holdings 6.3%	233,000	US$	13.02.2026		62	0.09
Debt derivatives					**(146)**	**(0.22)**
Credit default swaps					**(184)**	**(0.28)**
Bopran Finance Dec 2025	250,000	€			(83)	(0.13)
Casino Guichard Perrachon Jun 2025	100,000	€			(68)	(0.10)
Iceland Bondco Dec 2026	200,000	€			(33)	(0.05)
Interest rate futures					**38**	**0.06**
Deutscher Bobl 5 year Futures	(16)	€	08.06.2023	17	(42)	(0.06)
US Treasury Notes 10 year Futures	20	US$	21.06.2023	21	59	0.09
UK Treasury Notes Futures	(6)	£	28.06.2023	8	(17)	(0.03)
US Treasury Notes 5 year Futures	19	US$	30.06.2023	19	38	0.06
Currency					**(395)**	**(0.60)**
Forward currency contracts					**(395)**	**(0.60)**
Bought for € 211,737.98, Sold for US$ 228,686.97			26.04.2023		2	0.00
Bought for £ 77,096.51, Sold for US$ 94,546.38			26.04.2023		1	0.00
Bought for US$ 17,675,061.35, Sold for € 16,539,900.78			26.04.2023		(327)	(0.49)
Bought for US$ 4,848,303.44, Sold for £ 3,973,073.99			26.04.2023		(71)	(0.11)
Portfolio of investments					**60,166**	**89.78**
Cash equivalents					**4,544**	**6.78**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	4,544,000	US$			**4,544**	**6.78**
Share class hedging					**746**	**1.12**
Bought for CHF 46,226.69, Sold for US$ 50,981.73			19.04.2023		0	0.00
Bought for € 48,887,352.66, Sold for US$ 52,411,653.62			19.04.2023		774	1.16

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Share class hedging (continued)						
Bought for US$ 875.65, Sold for CHF 800.65			19.04.2023		0	0.00
Bought for US$ 2,092,553.13, Sold for € 1,950,053.85			19.04.2023		(28)	(0.04)
Total portfolio					**65,456**	**97.68**
Net other assets/(liabilities)					1,550	2.32
Net assets					**67,006**	**100.00**

Portfolio summary		
Investment assets		
Debt securities	60,707	90.60
Unrealised gains on futures contracts	97	0.15
Unrealised gains on forward currency contracts	777	1.16
Total Investment assets	**61,581**	**91.91**
Investment liabilities		
Swap contracts	(184)	(0.28)
Unrealised losses on futures contracts	(59)	(0.09)
Unrealised losses on forward currency contracts	(426)	(0.64)
Total Investment liabilities	**(669)**	**(1.01)**
Total portfolio	**60,912**	**90.90**
Cash equivalents	**4,544**	**6.78**
Net other assets/(liabilities)	**1,550**	**2.32**
Net assets	**67,006**	**100.00**

[a] Fair valued.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures		
	Swaps US$'000	Forward currency contracts US$'000	Futures US$'000
Bank of America Merrill Lynch	0	0	65
Barclays Bank London	598	0	0
BNP Paribas	0	125	0
JP Morgan London	0	459	0
Standard Chartered Bank	0	190	0
State Street Bank and Trust Company	0	109,870	0
State Street Bank and Trust Company, London Branch	0	45,295	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A-H' Accumulation	-7.3	+2.2	-0.9	+2.6	10.12.10	09.11.18
Class 'A-H' Distribution	-7.3	+2.2	-0.9	+1.5	12.07.13	09.11.18
Class 'B-H' Accumulation	-7.8	+1.7	-1.4	+0.9	26.07.13	09.11.18
Class 'B-H' Distribution	-7.8	+1.7	-1.4	+0.3	11.09.15	09.11.18
Class 'C-H' Accumulation	-6.8	+2.8	-0.3	+3.2	10.12.10	09.11.18
Class 'C-H' Distribution	-6.8	+2.8	-0.3	+1.3	08.08.14	09.11.18
Class 'CI-H' Accumulation	-6.7	+2.9	-0.3	+3.2	10.12.10	19.11.18
Swiss franc						
Class 'A-H' Accumulation	-8.1	+1.8	-1.2	+0.6	25.09.15	09.11.18
Class 'C-H' Accumulation	-7.5	+2.4	-0.6	+1.2	25.09.15	09.11.18

M&G (Lux) Global High Yield Bond Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A' Accumulation	-4.5	+4.0	+1.4	+4.0	10.12.10	09.11.18
Class 'A' Distribution	-4.5	+4.0	+1.4	+2.6	08.08.14	09.11.18
Class 'C' Accumulation	-4.0	+4.6	+2.0	+4.8	10.12.10	09.11.18
Class 'C' Distribution	-4.0	+4.6	+2.0	+3.2	08.08.14	09.11.18
Class 'CI' Accumulation	-3.9	+4.6	+2.0	+4.8	10.12.10	19.11.18

[a] Sub-fund performance before the launch of the sub-fund on 9 November 2018 is that of the relevant Merged Share Class of the M&G Global High Yield Bond Fund, which includes UK taxes but excludes entry and exit charges. The M&G Global High Yield Bond Fund is a UK authorised sub-fund which launched on 16 October 1998 and its non-Sterling share classes merged into M&G (Lux) Global High Yield Bond Fund on 9 November 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A-H' Accumulation	1,640,433.315	13.7447	14.8327	15.5340
Class 'A-H' Distribution	1,056,255.402	8.5016	9.6956	10.6628
Class 'B-H' Accumulation	152,885.960	10.9341	11.8583	12.4784
Class 'B-H' Distribution	153,864.423	6.9968	8.0201	8.8652
Class 'C-H' Accumulation	190,426.866	14.7767	15.8488	16.4917
Class 'C-H' Distribution	793,774.444	9.4448	10.7046	11.7011
Class 'CI-H' Accumulation	262,648.749	10.0363	10.7590	11.1924
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,161.481	10.4494	11.3686	11.9284
Class 'C-H' Accumulation	2,123.594	10.9377	11.8243	12.3308
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	200,010.267	16.2431	17.0158	17.6444
Class 'A' Distribution	75,041.501	10.6156	11.7498	12.7973
Class 'C' Accumulation	642,796.161	17.7176	18.4491	19.0167
Class 'C' Distribution	12,255.108	11.2678	12.3967	13.4208
Class 'CI' Accumulation	4,600.000	11.0330	11.4837	11.8326

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	67,006	76,642	93,318
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**67,006**	**76,642**	**93,318**

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A-H' Accumulation	1.23
Class 'A-H' Distribution	1.23
Class 'B-H' Accumulation	1.73
Class 'B-H' Distribution	1.73
Class 'C-H' Accumulation	0.62
Class 'C-H' Distribution	0.63
Class 'CI-H' Accumulation	0.59
Swiss franc	**%**
Class 'A-H' Accumulation	1.23
Class 'C-H' Accumulation	0.62
US dollar	**%**
Class 'A' Accumulation	1.21
Class 'A' Distribution	1.21
Class 'C' Accumulation	0.61
Class 'C' Distribution	0.61
Class 'CI' Accumulation	0.57

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The sub-fund underperformed the MSCI ACWI Net Return Index. Infrastructure companies structured as real estate investment trusts (REITs) featured prominently among the detractors as investors shunned the real estate sector in an environment of rising interest rates. We strongly believe that our REIT holdings should not be treated as bond proxies, owing to the long-term growth credentials of our selected companies.

Crown Castle, the communications towers company, is a beneficiary of the structural growth in digital infrastructure driven by rising mobile penetration and data usage globally. The new holding in Segro provides exposure to long-term growth by way of e-commerce infrastructure. For us, the long-term investment case for both companies remains intact.

Home REIT provided the biggest drag on sub-fund performance after the UK company, which provides accommodation for the homeless, came under pressure from a short seller. We are engaging with the company's management and board of directors to assess the situation fully and the holding is under review.

Ørsted, Xinyi Energy and NextEra Energy Partners underperformed in utilities. We continue to believe that these renewables companies have a crucial role in the energy transition and they remain core holdings.

Stock selection in utilities made a positive contribution overall, helped by ContourGlobal, whose shares jumped more than 30% after the UK company received a takeover approach. E.ON led the gains in European utilities, while AES Corp and Edison International outperformed in the US.

Infrastrutture Wireless Italiane (INWIT) added value in communications infrastructure after the shares climbed to an all-time high following takeover speculation. The gains were backed by strong fundamentals as the company reported solid results for the fourth quarter and provided a positive outlook for the year ahead.

PrairieSky Royalty made the biggest contribution to sub-fund performance in a buoyant energy sector. We continue to believe that the Canadian company, which receives royalties from oil & gas bearing lands, remains well placed for long-term growth, and that the cashflows running into perpetuity with minimal operating costs, capital commitment or environmental liabilities present a compelling opportunity for long-term investors, with the added benefit of industry-leading credentials for ESG and sustainability.

Investment activities

We made two new purchases and three complete sales during the period under review. The number of holdings declined to 45.

We invested in Segro, which diversifies our data centre exposure and represents our first foray into e-commerce infrastructure with its portfolio of strategically located warehouses and fulfilment sites. The company is listed in the UK, but has a presence across Europe and a broad tenant base, including new economy businesses such as Amazon and Hello Fresh.

Alexandria Real Estate was our second new purchase during the review period. The US REIT provides exposure to life science infrastructure – the critical assets behind the research and development of drugs to address society's ongoing medical needs – and is now the biggest holding in the sub-fund's 'social' segment of infrastructure.

We divested ContourGlobal and Vantage Towers after the shares rose on takeover activity. We also exited China Gas Holdings as the shares rallied from their lows. We originally invested in the gas distributor as a beneficiary of a long-term structural trend, namely China's shift away from coal towards gas in its attempts to combat climate change. While our view on this multi-decade theme remains unchanged, the investment thesis has been overshadowed by corporate governance issues and operational shortcomings specific to the company. We divested the holding as a source of cash for new ideas where we have greater conviction.

Investment review

Outlook

We are under no illusion about the tougher economic times ahead, but we remain as optimistic as ever about the long-term growth prospects in listed infrastructure. The asset class offers defensive qualities, combined with the ability to offer inflation protection by way of index-linked revenue, in our opinion. We also think the attractions of its reliable and growing cashflows have considerable appeal beyond the current environment. Listed infrastructure is a beneficiary of long-term structural trends, such as renewable energy, digital connectivity and demographics – powerful themes, which we believe will endure for many decades to come.

From an investment standpoint, we take comfort from the abundance of attractive ideas from a bottom-up perspective. Being selective will be paramount in these volatile times. Valuation is a key consideration in the stock selection process, and we see plenty of opportunities for structural growth without having to overpay for the privilege.

The attractions of infrastructure, particularly in the listed sphere, have not gone unnoticed. We have seen increasing corporate activity across the asset class, the most recent example being the pending takeover of Vantage Towers. We believe that these symbolic events provide a clear indication that the reliable and growing cashflows from infrastructure assets are going cheap in the stockmarket. Investors with a long-term time horizon, such as those in the private sphere, are starting to take notice and act on their convictions. We remain optimistic about the asset class.

Alex Araujo
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**3,189,067**	**98.87**
United Kingdom					**403,032**	**12.49**
HicI Infrastructure	42,604,557	£			81,039	2.51
Home REIT[a]	57,328,604	£			27,013	0.84
National Grid	4,860,571	£			65,611	2.03
Sdcl Energy Efficiency Income Trust	59,735,645	£			62,134	1.93
Segro	12,556,874	£			117,745	3.65
UNITE Group	4,238,514	£			49,490	1.53
Belgium						
Elia Group	258,827	€			**34,072**	**1.06**
Denmark						
Ørsted	992,673	DKK			**83,554**	**2.59**
France						
Vinci	694,970	€			**79,800**	**2.47**
Germany						
E.ON	9,053,313	€			**113,250**	**3.51**
Guernsey						
International Public Partnerships	44,719,014	£			**79,194**	**2.46**
Italy					**311,241**	**9.65**
A2A	52,547,631	€			84,269	2.61
Enel	21,433,365	€			131,908	4.09
Infrastrutture Wireless Italiane	7,179,920	€			95,064	2.95
Spain						
Ferrovial	2,191,013	€			**64,474**	**2.00**
Switzerland						
Flughafen Zurich	175,864	CHF			**32,211**	**1.00**
United States					**1,266,771**	**39.27**
AES	2,806,650	US$			66,260	2.05
Alexandria Real Estate Equities	661,141	US$			82,007	2.54
American Tower	487,399	US$			98,142	3.04
American Water Works	341,921	US$			49,941	1.55
Atmos Energy	295,933	US$			33,171	1.03
CME Group	339,726	US$			64,195	1.99

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
United States (continued)						
Crown Castle International	855,677	US$			113,441	3.52
CSX	1,118,489	US$			33,027	1.02
Edison International	1,370,513	US$			96,048	2.98
Equinix	137,640	US$			96,716	3.00
Eversource Energy	836,861	US$			65,428	2.03
Mastercard 'A'	134,605	US$			48,476	1.50
NextEra Energy	853,992	US$			65,516	2.03
NextEra Energy Partners	1,344,452	US$			78,083	2.42
ONEOK	1,047,520	US$			65,638	2.03
Republic Services	247,441	US$			33,419	1.04
Sempra Energy	440,915	US$			66,007	2.05
Union Pacific	321,668	US$			63,861	1.98
Visa 'A'	212,779	US$			47,395	1.47
Canada					**472,393**	**14.65**
Franco-Nevada	660,962	CA$			96,087	2.98
Gibson Energy	5,430,195	CA$			86,350	2.68
Keyera	3,781,393	CA$			82,105	2.55
PrairieSky Royalty	6,165,292	CA$			96,253	2.98
TransCanada	2,870,341	US$			111,598	3.46
Brazil						
CCR	20,824,361	BRL			**50,914**	**1.58**
Australia						
Transurban Group	10,118,272	AU$			**96,170**	**2.98**
China						
Xinyi Energy Holdings	105,637,056	HK$			**31,716**	**0.98**
Hong Kong						
MTR	6,513,959	HK$			**31,445**	**0.98**
Singapore						
NetLink NBN Trust	59,887,800	SG$			**38,830**	**1.20**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Currency					**1**	**0.00**
Forward currency contracts					**1**	**0.00**
Bought for € 66,582.89, Sold for US$ 71,407.59			19.04.2023		1	0.00
Bought for SGD 39,100.19, Sold for US$ 29,031.30			19.04.2023		0	0.00
Bought for US$ 413.75, Sold for € 384.24			19.04.2023		0	0.00
Bought for US$ 1,707.38, Sold for SGD 2,290.52			19.04.2023		0	0.00
Portfolio of investments					**3,189,068**	**98.87**
Cash equivalents					**12,547**	**0.39**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	12,547,000	US$			**12,547**	**0.39**
Total portfolio					**3,201,615**	**99.26**
Net other assets/(liabilities)					23,997	0.74
Net assets					**3,225,612**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	3,189,067	98.87
Unrealised gains on forward currency contracts	1	0.00
Total Investment assets	**3,189,068**	**98.87**
Total portfolio	**3,189,068**	**98.87**
Cash equivalents	**12,547**	**0.39**
Net other assets/(liabilities)	**23,997**	**0.74**
Net assets	**3,225,612**	**100.00**

[a] Suspended.

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

The accompanying notes to the financial statements are an integral part of these financial statements.

M&G (Lux) Global Listed Infrastructure Fund

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts US$'000
State Street Bank and Trust Company	206

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-7.8	+12.1	+9.9	+7.5	05.10.17
Class 'A' Distribution	-7.8	+12.1	+9.9	+7.6	05.10.17
Class 'A-H' Accumulation	n/a	n/a	n/a	+0.5	28.02.23
Class 'C' Accumulation	-6.9	+13.2	+11.0	+8.6	05.10.17
Class 'C' Distribution	-6.9	+13.2	+11.0	+8.6	05.10.17
Class 'CI' Accumulation	-6.8	+13.3	+11.1	+8.7	05.10.17
Class 'J' Accumulation	-6.7	n/a	n/a	-3.0	11.03.22
Class 'J' Distribution	-6.7	n/a	n/a	-3.1	11.03.22
Class 'JI' Accumulation	-6.7	n/a	n/a	-3.0	11.03.22
Class 'JI' Distribution	-6.7	n/a	n/a	-3.0	11.03.22
Class 'JI-H' Accumulation	n/a	n/a	n/a	+0.6	28.02.23
Class 'L' Accumulation	-6.6	+13.5	+11.3	+8.9	05.10.17
Class 'N' Accumulation	n/a	n/a	n/a	-4.4	22.09.22
Class 'ZI' Distribution	-6.2	+14.1	n/a	+2.2	21.02.20
Singapore dollar					
Class 'A-H' Accumulation	-10.9	n/a	n/a	-4.8	17.12.21
Class 'A-H M' Distribution	-10.9	n/a	n/a	-4.9	17.12.21
Sterling					
Class 'C' Accumulation	-3.2	+12.9	+11.1	+8.4	05.10.17
Class 'C' Distribution	-3.2	+12.9	+11.1	+8.4	05.10.17
Class 'JI' Accumulation	n/a	n/a	n/a	-3.4	22.09.22
Class 'JI' Distribution	n/a	n/a	n/a	-3.4	22.09.22
Class 'L' Accumulation	-3.0	+13.2	+11.4	+9.6	22.01.18
Swedish Krona					
Class 'N' Accumulation	+1.1	+13.8	+12.1	+11.1	22.09.22

M&G (Lux) Global Listed Infrastructure Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Swiss franc					
Class 'A' Accumulation	-10.4	+9.9	+6.3	+4.9	05.10.17
Class 'A' Distribution	-10.4	+9.9	+6.3	+4.8	05.10.17
Class 'C' Accumulation	-9.5	+11.0	+7.4	+5.9	05.10.17
Class 'C' Distribution	-9.5	+11.0	+7.4	+5.9	05.10.17
US dollar					
Class 'A' Accumulation	-9.7	+11.8	+7.2	+6.1	05.10.17
Class 'A' Distribution	-9.7	+11.8	+7.2	+6.1	05.10.17
Class 'A M' Distribution	-9.7	+11.8	+7.2	+6.1	05.10.17
Class 'A M F' Distribution	-9.7	n/a	n/a	-4.7	16.11.21
Class 'C' Accumulation	-8.8	+12.9	+8.3	+7.1	05.10.17
Class 'C' Distribution	-8.8	+12.9	+8.3	+7.1	05.10.17
Class 'CI' Accumulation	-8.7	+13.0	+8.3	+7.2	05.10.17
Class 'J' Accumulation	-8.6	n/a	n/a	-4.3	11.03.22
Class 'JI' Accumulation	-8.6	n/a	n/a	-4.3	11.03.22
Class 'JI' Distribution	n/a	n/a	n/a	+5.8	22.09.22
Class 'L' Accumulation	-8.5	+13.2	+8.6	+7.4	05.10.17

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	65,287,847.075	14.9009	16.1622	13.6371
Class 'A' Distribution	12,565,691.883	12.7290	14.2489	12.3629
Class 'A-H' Accumulation	2,000.000	10.0476	n/a	n/a
Class 'C' Accumulation	17,404,053.771	15.7541	16.9176	14.1321
Class 'C' Distribution	2,774,277.573	13.4524	14.9053	12.8046
Class 'CI' Accumulation	44,258,851.631	15.7923	16.9516	14.1547
Class 'J' Accumulation	3,963.057	9.6974	10.3961	n/a
Class 'J' Distribution	1,001.000	9.4338	10.3960	n/a
Class 'JI' Accumulation	3,571,453.504	9.7007	10.3970	n/a
Class 'JI' Distribution	20,583,822.273	9.4376	10.3969	n/a
Class 'JI-H' Accumulation	4,600.000	10.0590	n/a	n/a
Class 'L' Accumulation	9,148,073.109	15.9727	17.1092	14.2569
Class 'N' Accumulation	1,000.000	9.5635	n/a	n/a
Class 'ZI' Distribution	7,453,846.061	9.8275	10.7881	9.1778
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A-H' Accumulation	2,001.000	9.3824	10.5291	n/a
Class 'A-H M' Distribution	2,000.000	9.0562	10.4838	n/a
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	108,198.962	15.5338	16.0533	13.5248
Class 'C' Distribution	123,776.778	13.2537	14.1471	12.2558
Class 'JI' Accumulation	4,600.000	9.6593	n/a	n/a
Class 'JI' Distribution	4,601.000	9.5827	n/a	n/a
Class 'L' Accumulation	2,350.000	16.1092	16.6058	13.9560
Swedish Krona		**SEK**	**SEK**	**SEK**
Class 'N' Accumulation	210,733.015	99.1219	n/a	n/a

M&G (Lux) Global Listed Infrastructure Fund

Financial highlights

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A' Accumulation	23,113.000	12.9657	14.4671	13.1676
Class 'A' Distribution	1,000.000	11.0850	12.7494	11.9301
Class 'C' Accumulation	184,104.568	13.6949	15.1293	13.6340
Class 'C' Distribution	9,705.000	11.7079	13.3338	12.3535
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	25,274,145.747	13.8011	15.2793	13.6357
Class 'A' Distribution	523,923.392	11.7944	13.4640	12.3557
Class 'A M' Distribution	196,749.440	11.7464	13.4129	12.3107
Class 'A M F' Distribution	100.000	88.3610	102.2024	n/a
Class 'C' Accumulation	794,455.962	14.5831	15.9843	14.1219
Class 'C' Distribution	335,237.587	12.4623	14.0840	12.7952
Class 'CI' Accumulation	1,572,159.004	14.6176	16.0152	14.1435
Class 'J' Accumulation	1,000.000	9.5707	10.4738	n/a
Class 'JI' Accumulation	55,200.000	9.5749	10.4749	n/a
Class 'JI' Distribution	4,600.000	10.4994	n/a	n/a
Class 'L' Accumulation	148,726.756	14.7869	16.1662	14.2470

NAV at sub-fund level	**31.03.23 US$'000**	**31.03.22 US$'000**	**31.03.21 US$'000**
Net assets	3,225,612	2,234,791	582,369
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**3,225,612**	**2,234,791**	**582,369**

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	2.15
Class 'A' Distribution	2.14
Class 'A-H' Accumulation	2.15
Class 'C' Accumulation	1.14
Class 'C' Distribution	1.14
Class 'CI' Accumulation	1.11
Class 'J' Accumulation	1.00
Class 'J' Distribution	1.00
Class 'JI' Accumulation	0.95
Class 'JI' Distribution	0.96
Class 'JI-H' Accumulation	0.99
Class 'L' Accumulation	0.90
Class 'N' Accumulation	1.91
Class 'ZI' Distribution	0.35
Singapore dollar	**%**
Class 'A-H' Accumulation	2.17
Class 'A-H M' Distribution	2.17
Sterling	**%**
Class 'C' Accumulation	1.15
Class 'C' Distribution	1.15
Class 'JI' Accumulation	0.95
Class 'JI' Distribution	0.95
Class 'L' Accumulation	0.90
Swedish Krona	**%**
Class 'N' Accumulation	1.88
Swiss franc	**%**
Class 'A' Accumulation	2.15
Class 'A' Distribution	2.14
Class 'C' Accumulation	1.15
Class 'C' Distribution	1.16

M&G (Lux) Global Listed Infrastructure Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
US dollar	**%**
Class 'A' Accumulation	2.14
Class 'A' Distribution	2.15
Class 'A M' Distribution	2.15
Class 'A M F' Distribution	2.15
Class 'C' Accumulation	1.14
Class 'C' Distribution	1.15
Class 'CI' Accumulation	1.11
Class 'J' Accumulation	1.00
Class 'JI' Accumulation	0.95
Class 'JI' Distribution	0.95
Class 'L' Accumulation	0.90

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The 12-month period under review saw continued volatility across global bond markets, with the majority of fixed income assets delivering negative returns. This slump was more pronounced during the second and third quarters of 2022. As economies began to open back up after the worst of COVID-19 had passed, new problems, such as the continuing war in Ukraine and persistent supply-chain shortages resulted in rising food and energy prices. Policymakers around the globe implemented interest rate hikes in earnest, to combat the rising inflation.

Against the backdrop of global interest rate hikes, bonds delivered widespread negative returns as bond demand suffered in the rising rate environment. The impact was felt far and wide as government, corporate and emerging market bonds experienced negative returns.

After initial success in slowing down inflation, there was speculation regarding a US Federal Reserve (Fed) pivot away from aggressive rate hikes, which led to bond market rallies in October and November. They fell in December as high inflation proved to be very persistent. After rebounding strongly in January, bond markets were subjected to more volatility in February and March, caused by inflation concerns and a banking panic.

Some of the sub-fund's euro-denominated share classes underperformed its benchmark, the Bloomberg Global Aggregate Index, while others, including US dollar-denominated ones, outperformed. Overall weakness across fixed income markets dimmed performance but losses continued to be mitigated by actively managing the sub-fund's sensitivity to movements in interest rates (also known as duration, and measured in years) and exercising diligence in credit positioning (meaning, having less exposure to the risk that bond issuers will not pay their interest and debt in full). Our currency exposure was negative for relative returns.

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.

Investment activity

From 15 February 2023, the sub-fund's objective, investment policy and its strategy were updated to introduce a set of environmental, social and governance (ESG) exclusions. The new strategy was updated to reflect the role of ESG considerations in the sub-funds' investment process.

In terms of duration positioning, the sub-fund was cautiously positioned throughout most of the period. Assets held of between 0-5 years in maturity were increased and those of 5-15 years in maturity were reduced during the period. The sub-fund increased holdings of government bonds and decreased holdings of investment grade corporate, high yield corporate and emerging market bonds during the period, seeking to take advantage of opportunities to enhance portfolio credit quality along the way. The portfolio ended the period with higher allocations to US and German issuers and lower allocations to UK and Japanese issuers.

Over the review period, we decreased allocations to both the US and Canadian dollar currencies, and increased allocations to the euro and the Japanese yen. Later in the period, we took down some of our Latin American currency positions, as they had done well, and sold some of our index-linked holdings.

Outlook

Looking ahead, we believe expectations regarding inflation and recession will continue as primary drivers of the global economy. Monetary policy lag times and the manner in which our current bout of inflation continues to evolve will determine the extent to which a 2023 recession can be mitigated.

In this environment, we are adopting a balanced and diversified approach across duration and credit. As yields available from investment grade bonds remain elevated, investors are provided with a good overall cushion to further absorb any future volatility.

M&G (Lux) Global Macro Bond Fund

Investment review

Jim Leaviss
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 15 February 2023, the sub-fund was 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. From 16 February 2023, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income					**641,670**	**96.01**
Debt securities					**638,655**	**95.56**
'AAA' credit rated bonds					**80,186**	**12.00**
Australia (Commonwealth of) 1.75%	23,500,000	AU$	21.06.2051		10,148	1.52
Blackrock European CLO XII FRN	3,000,000	€	17.01.2035		3,127	0.47
Bundesschatzanweisungen 2.5%	13,000,000	€	13.03.2025		14,067	2.10
Coventry Building Society FRN	1,800,000	£	13.11.2023		2,232	0.33
Germany (Federal Republic of) 0.1%	6,526,000	€	15.04.2026		8,593	1.29
Germany (Federal Republic of) 0.5%	6,500,000	€	15.02.2025		6,786	1.02
Germany (Federal Republic of) I/L 0.5%	7,087,000	€	15.04.2030		9,719	1.45
Glenbeigh 2 Issuer FRN	1,998,571	€	24.03.2046		2,155	0.32
Hops Hill No. 1 FRN	960,870	£	27.05.2054		1,189	0.18
Jubilee Place FRN	1,300,331	€	17.07.2058		1,407	0.21
Netherlands (Kingdom of) 2.5%	5,000,000	€	15.07.2033		5,343	0.80
Norway (Kingdom of) 2%	75,250,000	NOK	24.05.2023		7,184	1.08
Precise Mortgage Funding FRN	347,411	£	16.10.2056		429	0.06
RRE 5 Loan Management FRN	2,757,000	€	15.01.2037		2,887	0.43
Stratton Mortgage Funding FRN	1,269,603	£	25.09.2051		1,563	0.23
Towd Point Mortgage Funding FRN	1,269,563	£	20.02.2054		1,570	0.24
Voya Euro CLO III FRN	1,691,000	€	15.04.2033		1,787	0.27
'AA' credit rated bonds					**275,623**	**41.24**
Apple 1.125%	2,000,000	US$	11.05.2025		1,872	0.28
Apple 2.65%	4,274,000	US$	08.02.2051		2,964	0.44
Belgium (Kingdom of) 0.35%	8,900,000	€	22.06.2032		7,670	1.15
Canada (Federal Republic of) 1.5%	4,647,000	CA$	01.12.2031		3,058	0.46
Canada (Federal Republic of) 3.75%	30,422,000	CA$	01.02.2025		22,430	3.36
Deutsche Bahn Finance 3.625%	808,000	€	18.12.2037		875	0.13
Metropolitan Life Global Funding I FRN	1,068,000	US$	21.03.2025		1,067	0.16
Metropolitan Life Global Funding I 0.375%	2,000,000	€	09.04.2024		2,101	0.31
New York Life Global Funding 0.25%	3,638,000	€	23.01.2027		3,442	0.52
New York Life Global Funding 0.75%	1,416,000	£	14.12.2028		1,416	0.21
New York Life Global Funding 1.25%	1,852,000	£	17.12.2026		2,010	0.30
New Zealand (Kingdom of) 0.5%	24,300,000	NZD	15.05.2026		13,517	2.02

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'AA' credit rated bonds (continued)						
UK Gilt 0.375%	9,300,000	£	22.10.2026		10,267	1.54
UK Gilt 1.125%	7,623,000	£	31.01.2039		6,410	0.96
UK Gilt 3.5%	3,900,524	£	22.01.2045		4,536	0.68
UK Gilt I/L 0.125%	7,643,521	£	22.03.2039		11,487	1.72
US Treasury Bond 3%	30,026,000	US$	15.11.2044		25,961	3.88
US Treasury Bond 3%	4,908,000	US$	15.02.2047		4,229	0.63
US Treasury Bond 3.375%	8,264,000	US$	15.08.2042		7,694	1.15
US Treasury Bond I/I 0.75%	14,954,000	US$	15.02.2045		16,076	2.41
US Treasury Bond I/I 3.875%	8,852,000	US$	15.04.2029		18,477	2.76
US Treasury Bond I/L 1%	9,000,000	US$	15.02.2049		9,364	1.40
US Treasury Bond I/L 2.375%	10,889,500	US$	15.01.2027		16,683	2.50
US Treasury Note 0.25%	43,109,600	US$	15.06.2024		40,957	6.13
US Treasury Note 1.75%	22,398,400	US$	15.05.2023		22,321	3.34
US Treasury Note 3%	11,814,900	US$	15.08.2052		10,249	1.53
US Treasury Note 4.125%	8,120,900	US$	15.11.2032		8,490	1.27
'A' credit rated bonds					**69,140**	**10.35**
Athene Global Funding FRN	2,500,000	US$	24.05.2024		2,472	0.37
Bank of America FRN	1,429,000	US$	25.04.2025		1,426	0.21
Bank of America FRN	1,331,000	£	27.04.2031		1,468	0.22
Banque Fédérative du Crédit Mutuel 0.625%	1,700,000	€	21.02.2031		1,408	0.21
Booking Holdings 4.5%	649,000	€	15.11.2031		730	0.11
BPCE FRN	2,000,000	US$	14.01.2025		1,975	0.30
BPCE 0.25%	2,000,000	€	15.01.2026		1,976	0.30
Chile (Republic of) 4.7%	6,405,000,000	CLP	01.09.2030		7,825	1.17
Comcast 0%	2,384,000	€	14.09.2026		2,298	0.34
Comcast 5.5%	1,040,000	£	23.11.2029		1,344	0.20
Comcast 5.5%	789,000	US$	15.11.2032		837	0.13
Crédit Agricole FRN	1,400,000	€	22.04.2027		1,416	0.21
International Business Machines 1.7%	1,250,000	US$	15.05.2027		1,114	0.17
Japan (Kingdom of) 0.1%	977,000,000	¥	10.03.2029		8,038	1.20

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Japan (Kingdom of) 0.6%	1,656,650,000	¥	20.03.2024		12,512	1.87
JPMorgan Chase FRN	3,000,000	US$	19.11.2026		2,676	0.40
JPMorgan Chase FRN	3,000,000	€	25.07.2031		2,614	0.39
JPMorgan Chase FRN	1,068,000	US$	26.04.2033		1,028	0.15
Ludgate Funding FRN	216,892	€	01.01.2061		225	0.03
MetLife 5%	202,000	US$	15.07.2052		189	0.03
Morgan Stanley FRN	1,512,000	€	07.02.2031		1,287	0.19
Nationwide Building Society 2%	1,615,000	€	28.04.2027		1,624	0.24
Nationwide Building Society 4.85%	2,500,000	US$	27.07.2027		2,439	0.37
NatWest Markets 6.375%	1,096,000	£	08.11.2027		1,406	0.21
Nestlé Finance International 3.25%	1,184,000	€	15.01.2031		1,280	0.19
Nestlé Holdings 2.125%	2,182,000	£	04.04.2027		2,470	0.37
PepsiCo 0.25%	2,141,000	€	06.05.2024		2,253	0.34
S&P Global 2.7%	333,000	US$	01.03.2029		302	0.05
Société Générale 4.677%	741,000	US$	15.06.2027		720	0.11
US Bancorp 3.375%	765,000	US$	05.02.2024		752	0.11
Wolters Kluwer 0.75%	1,161,000	€	03.07.2030		1,036	0.16
'BBB' credit rated bonds					**169,549**	**25.37**
Aéroports de Paris 2.125%	1,100,000	€	02.10.2026		1,143	0.17
AIB Group FRN	765,000	€	23.07.2029		813	0.12
Allianz FRN	600,000	€	31.12.2099		452	0.07
American Express FRN	639,000	US$	26.05.2033		617	0.09
Banco Bilbao Vizcaya Argentaria 0.5%	2,000,000	€	14.01.2027		1,902	0.28
Banco Santander FRN	1,700,000	£	06.10.2026		1,955	0.29
Bank of Ireland Group FRN	561,000	€	16.07.2028		610	0.09
Barclays FRN	2,500,000	US$	02.11.2033		2,740	0.41
BNP Paribas 2.1%	1,400,000	€	07.04.2032		1,278	0.19
BNP Paribas 3.375%	1,243,000	£	23.01.2026		1,457	0.22
Bulgaria (Republic of) 4.625%	2,206,000	€	23.09.2034		2,364	0.35
Bunzl Finance 1.5%	1,096,000	£	30.10.2030		1,038	0.16

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
CaixaBank FRN	1,300,000	£	06.04.2028		1,441	0.22
CaixaBank FRN	1,133,000	US$	18.01.2029		1,137	0.17
CaixaBank FRN	1,200,000	€	14.11.2030		1,341	0.20
CBRE Global Investors Open-Ended Funds 0.5%	1,473,000	€	27.01.2028		1,142	0.17
Citigroup FRN	2,025,000	US$	17.03.2033		1,815	0.27
Coöperatieve Rabobank FRN	1,400,000	€	31.12.2099		1,303	0.20
Coventry Building Society 2%	1,000,000	£	20.12.2030		956	0.14
Credit Suisse Group FRN	1,600,000	€	02.04.2032		1,435	0.21
Croatia (Republic of) 1.125%	1,691,000	€	04.03.2033		1,429	0.21
Deutsche Bank FRN	1,100,000	€	24.05.2028		1,080	0.16
Deutsche Bank FRN	2,500,000	£	12.12.2030		2,940	0.44
Électricité de France 4.625%	1,300,000	€	25.01.2043		1,331	0.20
Électricité de France 5.5%	2,100,000	£	25.01.2035		2,468	0.37
Enel FRN	444,000	€	31.12.2099		486	0.07
Enel Finance International 7.5%	1,033,000	US$	14.10.2032		1,146	0.17
Engie 5%	1,600,000	£	01.10.2060		1,829	0.27
Goldman Sachs Group 0.01%	2,494,000	€	30.04.2024		2,705	0.40
Goldman Sachs Group 4.25%	2,042,000	£	29.01.2026		2,461	0.37
Hammerson Ireland Finance 1.75%	1,725,000	€	03.06.2027		1,505	0.23
Harley-Davidson Financial Services 5.125%	739,000	€	05.04.2026		807	0.12
Heimstaden Bostad Treasury 1%	1,455,000	€	13.04.2028		1,174	0.18
Hiscox 6%	1,045,000	£	22.09.2027		1,312	0.20
Indonesia (Republic of) 8.25%	122,021,000,000	IDR	15.05.2036		9,013	1.35
Indonesia (Republic of) 8.375%	67,560,000,000	IDR	15.03.2034		5,015	0.75
ING Groep FRN	420,000	US$	28.03.2033		381	0.06
Italy Buoni Poliennali Del Tesoro 5.75%	10,744,000	€	01.02.2033		13,222	1.98
Lowe's 4.25%	882,000	US$	01.04.2052		721	0.11
Magallanes 4.054%	662,000	US$	15.03.2029		612	0.09
Malaysia (Federation of) 3.955%	11,773,000	MYR	15.09.2025		2,711	0.41
Malaysia (Federation of) 4.254%	13,752,000	MYR	31.05.2035		3,149	0.47

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Mexico (United Mexican States) 5%	130,000,000	MXN	06.03.2025		6,526	0.98
Mexico (United Mexican States) 5.625%	1,770,000	£	19.03.2114		1,661	0.25
Mexico (United Mexican States) 8%	100,000,000	MXN	07.12.2023		5,415	0.81
Mexico (United Mexican States) 10%	61,500,000	MXN	05.12.2024		3,382	0.51
Mitchells & Butlers Finance FRN	943,767	US$	15.12.2030		855	0.13
Mitchells & Butlers Finance FRN	516,723	£	15.12.2033		551	0.08
National Gas Transmission 5.75%	581,000	£	05.04.2035		719	0.11
National Grid 0.25%	2,207,000	€	01.09.2028		1,980	0.30
Nationwide Building Society FRN	712,000	£	07.12.2027		891	0.13
NatWest Group FRN	2,139,000	US$	18.05.2029		2,038	0.31
Northumbrian Water Finance 6.375%	918,000	£	28.10.2034		1,220	0.18
Oracle 6.25%	2,000,000	US$	09.11.2032		2,142	0.32
Peru (Republic of) 6.15%	21,500,000	PEN	12.08.2032		5,223	0.78
Peru (Republic of) 6.9%	21,500,000	PEN	12.08.2037		5,350	0.80
Peru (Republic of) 6.95%	4,200,000	PEN	12.08.2031		1,088	0.16
Philippines (Republic of) 6.25%	212,000,000	PHP	14.01.2036		3,830	0.57
Portugal (Republic of) 1%	813,311	€	12.04.2052		466	0.07
Prosus 1.288%	1,912,000	€	13.07.2029		1,586	0.24
PVH 4.625%	1,165,000	US$	10.07.2025		1,138	0.17
Romania (Republic of) 1.75%	1,320,000	€	13.07.2030		1,055	0.16
Romania (Republic of) 3.625%	3,074,000	US$	27.03.2032		2,596	0.39
Romania (Republic of) 6.625%	1,519,000	€	27.09.2029		1,689	0.25
Severn Trent Utilities Finance 2.625%	504,000	£	22.02.2033		500	0.07
Severn Trent Utilities Finance 4.625%	490,000	£	30.11.2034		572	0.09
Severn Trent Utilities Finance 5.25%	775,000	£	04.04.2036		951	0.14
Smurfit Kappa Treasury 1.5%	1,467,000	€	15.09.2027		1,436	0.21
Société Générale FRN	1,500,000	€	24.11.2030		1,434	0.21
Southern Water Services Finance 3%	1,700,000	£	28.05.2037		1,546	0.23
Spain (Kingdom of) 1%	1,401,000	€	30.07.2042		959	0.14
Spain (Kingdom of) 2.55%	7,960,000	€	31.10.2032		8,125	1.22

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Takeda Pharmaceutical 1.375%	1,635,000	€	09.07.2032		1,432	0.21
Thames Water Utilities Finance 3.5%	1,420,000	£	25.02.2028		1,625	0.24
Thames Water Utilities Finance 4.375%	1,459,000	€	18.01.2031		1,582	0.24
Uruguay (Republic of) 3.875%	86,505,957	UYU	02.07.2040		2,914	0.44
Uruguay (Republic of) 4.375%	21,886,844	UYU	15.12.2028		1,469	0.22
Uruguay (Republic of) 8.25%	35,616,438	UYU	21.05.2031		817	0.12
Uruguay (Republic of) 8.5%	65,851,000	UYU	15.03.2028		1,582	0.24
Verizon Communications 0.75%	1,480,000	€	22.03.2032		1,228	0.18
Walt Disney 3.8%	1,031,000	US$	13.05.2060		836	0.13
Wessex Water Services Finance 5.125%	1,142,000	£	31.10.2032		1,384	0.21
Yorkshire Power Finance 7.25%	1,180,000	£	04.08.2028		1,598	0.24
Yorkshire Water Finance 5.25%	1,394,000	£	28.04.2030		1,722	0.26
'BB' credit rated bonds					**34,100**	**5.10**
Brazil (Federal Republic of) 10%	33,469,000	BRL	01.01.2025		6,382	0.95
Brazil (Federal Republic of) 10%	18,128,000	BRL	01.01.2029		3,216	0.48
Cellnex Finance 1.25%	700,000	€	15.01.2029		622	0.09
Charter Communications Operating Via Charter Communications Operating Capital 4.4%	902,000	US$	01.04.2033		796	0.12
Colombia (Republic of) 2.25%	26,770,000	COP	18.04.2029		1,688	0.25
Colombia (Republic of) 7.75%	22,583,900,000	COP	18.09.2030		3,934	0.59
Colombia (Republic of) 9.75%	11,711,000,000	COP	26.07.2028		2,176	0.33
Dominican (Republic of) 6.5%	2,000,000	US$	15.02.2048		1,693	0.25
Dominican (Republic of) 6.85%	1,029,000	US$	27.01.2045		916	0.14
Lloyds Banking Group FRN	913,000	£	31.12.2099		1,045	0.16
Mahle 2.375%	500,000	€	14.05.2028		418	0.06
Nordstrom 4.375%	1,900,000	US$	01.04.2030		1,440	0.22
Paraguay (Republic of) 5.6%	1,319,000	US$	13.03.2048		1,166	0.17
Paraguay (Republic of) 6.1%	1,317,000	US$	11.08.2044		1,268	0.19
Serbia (Republic of) 1%	1,235,000	€	23.09.2028		1,038	0.15
Serbia (Republic of) 1.65%	1,363,000	€	03.03.2033		981	0.15

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Sirius XM Radio 5%	1,500,000	US$	01.08.2027		1,385	0.21
South Africa (Republic of) 5.75%	1,390,000	US$	30.09.2049		1,020	0.15
South Africa (Republic of) 8.75%	67,921,111	ZAR	28.02.2048		2,916	0.44
'B' credit rated bonds					**6,422**	**0.96**
Bahamas (Commonwealth of) 6%	2,000,000	US$	21.11.2028		1,512	0.23
Bellis Acquisition 3.25%	2,000,000	£	16.02.2026		2,034	0.30
Garfunkelux HoldCo 3 FRN	1,000,000	€	01.05.2026		919	0.14
Iliad Holding 7%	790,000	US$	15.10.2028		744	0.11
Staples 7.5%	1,400,000	US$	15.04.2026		1,213	0.18
'CCC' credit rated bonds					**1,888**	**0.28**
Altice France Holding 6%	1,500,000	US$	15.02.2028		936	0.14
Selecta Group 8%	992,665	€	01.04.2026		952	0.14
'CC' credit rated bonds						
Ukraine (Republic of) 7.75%	2,000,000	US$	01.09.2028		**379**	**0.06**
'C' credit rated bonds					**1,292**	**0.19**
Argentina (Republic of) 5.25%	1,834,554	US$	01.09.2037		639	0.09
Argentina (Republic of) 15.5%	65,000,000	ARS	17.10.2026		73	0.01
Bausch Health 5%	1,500,000	US$	30.01.2028		580	0.09
'D' credit rated bonds						
Silverback Finance 3.1261%[a]	1,838,875	€	25.02.2037		**76**	**0.01**
Debt derivatives					**3,015**	**0.45**
Credit default swaps					**578**	**0.09**
Markit CDX North American High Yield Series 38 5 Year Dec 2027	13,000,000	US$			(101)	(0.01)
Markit CDX North American Investment Grade Series 39 5 Year Dec 2027	13,000,000	US$			(143)	(0.02)
Markit iTraxx Europe Crossover Series 38 5 Year Dec 2027	6,000,000	€			(208)	(0.03)
Markit iTraxx Europe Senior Financials Series 38 5 Year Dec 2027	12,500,000	€			(37)	(0.01)
Markit iTraxx Europe Series 38 5 Year Dec 2027	6,300,000	€			(58)	(0.01)

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt derivatives (continued)						
Credit default swaps (continued)						
Markit iTraxx Europe Sub Fin Series 38 5 Year Dec 2027	32,000,000	€			1,125	0.17
Interest rate swaps						
Pay 0.9102% Receive Var. May 2052	450,000,000	¥			**100**	**0.01**
Interest rate futures					**2,337**	**0.35**
Euro OAT Futures	130	€	08.06.2023	131	599	0.09
US Treasury Notes 10 year Futures	235	US$	21.06.2023	238	694	0.11
US Treasury Notes 2 year Futures	392	US$	30.06.2023	780	752	0.11
US Treasury Notes 5 year Futures	146	US$	30.06.2023	148	292	0.04
Currency					**(2,576)**	**(0.39)**
Forward currency contracts					**(2,576)**	**(0.39)**
Bought for DKK 26,200,000.00, Sold for US$ 3,779,599.71			21.06.2023		64	0.01
Bought for € 46,962,521.32, Sold for £ 41,717,385.33			21.06.2023		(429)	(0.06)
Bought for € 2,853,497.00, Sold for US$ 3,063,353.16			21.06.2023		52	0.01
Bought for ¥ 3,100,000,000.00, Sold for € 22,064,454.80			21.06.2023		(573)	(0.09)
Bought for ¥ 1,770,000,000.00, Sold for £ 11,124,673.72			21.06.2023		(360)	(0.05)
Bought for ¥ 6,870,000,000.00, Sold for US$ 52,160,048.59			21.06.2023		(41)	(0.01)
Bought for NOK 59,100,000.00, Sold for US$ 5,569,860.90			21.06.2023		102	0.01
Bought for PLN 32,000,000.00, Sold for US$ 7,220,459.35			21.06.2023		179	0.03
Bought for SEK 112,900,000.00, Sold for € 9,849,352.97			21.06.2023		184	0.03
Bought for US$ 3,347,326.76, Sold for BRL 18,100,000.00			21.06.2023		(155)	(0.02)
Bought for US$ 15,185,351.90, Sold for CAD 20,812,167.59			21.06.2023		(195)	(0.03)
Bought for US$ 6,621,015.49, Sold for € 6,238,871.51			21.06.2023		(191)	(0.03)
Bought for US$ 5,365,621.82, Sold for £ 4,440,030.43			21.06.2023		(137)	(0.02)
Bought for US$ 14,656,878.06, Sold for MXN 281,500,000.00			21.06.2023		(699)	(0.11)
Bought for US$ 13,410,673.73, Sold for NZD 21,750,000.00			21.06.2023		(210)	(0.03)
Bought for US$ 3,361,892.92, Sold for PEN 12,900,000.00			21.06.2023		(48)	(0.01)
Bought for US$ 3,284,450.37, Sold for CLP 2,710,000,000.00			22.06.2023		(119)	(0.02)
Portfolio of investments					**639,094**	**95.62**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Cash equivalents					**13,710**	**2.05**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	13,710,000	US$			**13,710**	**2.05**
Share class hedging					**796**	**0.12**
Bought for CHF 81,244.81, Sold for US$ 89,595.32			19.04.2023		(1)	0.00
Bought for € 42,180,302.90, Sold for US$ 45,226,566.11			19.04.2023		664	0.10
Bought for £ 5,396,979.81, Sold for US$ 6,535,807.55			19.04.2023		144	0.02
Bought for SGD 93,222.00, Sold for US$ 69,191.23			19.04.2023		0	0.00
Bought for US$ 262.03, Sold for CHF 240.55			19.04.2023		0	0.00
Bought for US$ 1,018,212.45, Sold for € 947,610.35			19.04.2023		(11)	0.00
Bought for US$ 26,732.25, Sold for £ 21,709.25			19.04.2023		0	0.00
Bought for US$ 2,099.12, Sold for SGD 2,809.95			19.04.2023		0	0.00
Total portfolio					**653,600**	**97.79**
Net other assets/(liabilities)					14,735	2.21
Net assets					**668,335**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Debt securities	638,655	95.56
Swap contracts	1,225	0.18
Unrealised gains on futures contracts	2,337	0.35
Unrealised gains on forward currency contracts	1,389	0.21
Total Investment assets	**643,606**	**96.30**
Investment liabilities		
Swap contracts	(547)	(0.08)
Unrealised losses on forward currency contracts	(3,169)	(0.48)
Total Investment liabilities	**(3,716)**	**(0.56)**
Total portfolio	**639,890**	**95.74**
Cash equivalents	**13,710**	**2.05**
Net other assets/(liabilities)	**14,735**	**2.21**
Net assets	**668,335**	**100.00**

[a] Fair valued.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures				
	Swaps US$'000	Forward currency contracts US$'000	Futures US$'000	Collateral held as cash US$'000	Collateral held as security US$'000
Bank of America Merrill Lynch	0	0	1,297	0	0
Barclays Bank London	8,835,663	6,790	0	14,428	0
BNP Paribas	0	205,356	0	0	177
HSBC Bank Plc	0	38,306	0	0	0
JP Morgan London	0	246,012	0	0	1,593
Merrill Lynch Pierce Fenner + Smith Inc	0	7,603	0	0	0
State Street Bank and Trust Company	0	106,718	0	0	0
State Street Bank and Trust Company, London Branch	0	168,877	0	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

M&G (Lux) Global Macro Bond Fund

Financial highlights

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-6.1	-2.3	+1.8	+3.0	16.12.11	26.10.18
Class 'A' Distribution	-6.1	-2.3	+1.8	+2.2	12.07.13	26.10.18
Class 'A-H' Accumulation	-11.2	-4.4	-3.1	-0.4	16.12.11	26.10.18
Class 'A-H' Distribution	-11.1	-4.4	-3.1	-1.8	12.07.13	26.10.18
Class 'B' Accumulation	-6.6	-2.8	+1.3	+2.5	16.12.11	26.10.18
Class 'B' Distribution	-6.6	-2.8	+1.3	+0.4	11.09.15	26.10.18
Class 'B-H' Accumulation	-11.6	-4.9	-3.6	-0.9	16.12.11	26.10.18
Class 'B-H' Distribution	-11.6	-4.8	-3.6	-2.2	11.09.15	26.10.18
Class 'C' Accumulation	-5.5	-1.7	+2.4	+3.6	16.12.11	26.10.18
Class 'C' Distribution	-5.5	-1.7	+2.4	+3.0	08.08.14	26.10.18
Class 'C-H' Accumulation	-10.7	-3.8	-2.5	+0.2	16.12.11	26.10.18
Class 'C-H' Distribution	-10.6	-3.8	-2.5	-1.1	07.08.15	26.10.18
Class 'CI' Accumulation	-5.5	-1.6	+2.4	+3.6	16.12.11	06.11.18
Class 'CI-H' Accumulation	-10.6	-3.8	-2.5	+0.2	16.12.11	06.11.18
Class 'JI-H' Accumulation	-10.5	-3.7	n/a	-3.1	n/a	18.10.19
Class 'JI-H' Distribution	-10.5	-3.7	n/a	-3.1	n/a	18.10.19
Singapore dollar						
Class 'A-H' Accumulation	-8.8	-2.9	-1.3	+0.1	07.08.15	26.10.18
Class 'A-H' Distribution	-8.7	-2.8	-1.3	+0.1	07.08.15	26.10.18
Class 'C-H' Accumulation	-8.2	-2.3	-0.7	+0.7	07.08.15	26.10.18
Class 'C-H' Distribution	-8.2	-2.3	-0.7	+0.7	07.08.15	26.10.18
Sterling						
Class 'C' Accumulation	-1.8	-2.0	n/a	-0.5	n/a	05.07.19
Class 'C' Distribution	-1.8	-1.9	n/a	-0.4	n/a	05.07.19
Class 'C-H' Distribution	-9.4	-2.9	n/a	-1.1	n/a	22.02.19
Class 'CI' Accumulation	-1.8	-1.9	n/a	-0.4	n/a	05.07.19
Class 'CI' Distribution	-1.8	-1.9	n/a	-0.4	n/a	05.07.19
Class 'CI-H' Distribution	-9.2	-2.7	n/a	-1.1	n/a	14.03.19
Class 'JI-H' Distribution	-9.1	-2.7	n/a	-2.2	n/a	18.10.19

M&G (Lux) Global Macro Bond Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Swiss franc						
Class 'A' Accumulation	-8.7	-4.2	-1.6	+0.3	28.09.12	26.10.18
Class 'A-H' Accumulation	-11.7	-4.9	-3.6	-1.3	28.09.12	26.10.18
Class 'C' Accumulation	-8.2	-3.6	-1.0	+0.9	28.09.12	26.10.18
Class 'C-H' Accumulation	-11.2	-4.1	-2.9	-0.7	28.09.12	26.10.18
US dollar						
Class 'A' Accumulation	-8.0	-2.5	-0.8	+2.9	01.05.09	26.10.18
Class 'A' Distribution	-8.0	-2.5	-0.8	+5.4	07.08.15	26.10.18
Class 'C' Accumulation	-7.4	-1.9	-0.1	+2.0	16.12.11	26.10.18
Class 'C' Distribution	-7.4	-1.9	-0.2	+2.9	07.08.15	26.10.18
Class 'CI' Accumulation	-7.4	-1.9	-0.1	+2.0	16.12.11	06.11.18
Class 'JI' Accumulation	-7.3	-1.8	n/a	-1.1	n/a	18.10.19
Class 'JI' Distribution	-7.3	-1.8	n/a	-1.1	n/a	18.10.19

[a] Sub-fund performance before the launch of the sub-fund on 26 October 2018 is that of the relevant Merged Share Class of the M&G Global Macro Bond Fund, which includes UK taxes but excludes entry and exit charges. The M&G Global Macro Bond Fund is a UK authorised sub-fund which launched on 15 October 1999 and its non-Sterling share classes merged into M&G (Lux) Global Macro Bond Fund on 26 October 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	11,396,273.117	13.9263	14.8304	14.9031
Class 'A' Distribution	3,213,848.444	11.6266	12.7046	12.9265
Class 'A-H' Accumulation	1,381,986.998	9.5574	10.7620	11.5667
Class 'A-H' Distribution	689,265.096	8.0012	9.2382	10.0499
Class 'B' Accumulation	5,653,954.897	13.1565	14.0810	14.2211
Class 'B' Distribution	781,295.950	8.8276	9.6946	9.9135
Class 'B-H' Accumulation	313,814.955	9.0406	10.2289	11.0417
Class 'B-H' Distribution	145,637.621	7.2143	8.3716	9.1483
Class 'C' Accumulation	3,994,132.738	14.9020	15.7742	15.7567
Class 'C' Distribution	93,252.351	12.4427	13.5135	13.6654
Class 'C-H' Accumulation	422,290.163	10.2521	11.4862	12.2585
Class 'C-H' Distribution	1,309,129.042	8.6687	9.9518	10.7578
Class 'CI' Accumulation	11,497,018.615	10.9234	11.5586	11.5413
Class 'CI-H' Accumulation	256,612.405	9.3965	10.5128	11.2210
Class 'JI-H' Accumulation	4,610.000	8.9581	10.0131	10.6721
Class 'JI-H' Distribution	51,212.019	8.3830	9.6106	10.3738
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A-H' Accumulation	2,325.604	10.0415	11.0049	11.6970
Class 'A-H' Distribution	2,483.933	8.5345	9.5975	10.3282
Class 'C-H' Accumulation	2,284.953	10.5122	11.4514	12.0960
Class 'C-H' Distribution	2,454.415	8.8807	9.9275	10.6194

M&G (Lux) Global Macro Bond Fund

Financial highlights

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	6,233.592	9.8292	10.0133	10.0857
Class 'C' Distribution	211,016.301	9.2021	9.6198	9.8117
Class 'C-H' Distribution	21,972.729	8.8548	10.0312	10.7565
Class 'CI' Accumulation	43,290.813	9.8419	10.0224	10.0934
Class 'CI' Distribution	21,716.723	9.2153	9.6289	9.8179
Class 'CI-H' Distribution	4,650.909	8.8127	9.9549	10.6718
Class 'JI-H' Distribution	589,646.745	8.6757	9.7909	10.4843
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A' Accumulation	1,405.328	10.3644	11.3545	12.3076
Class 'A-H' Accumulation	2,403.028	8.7255	9.8780	10.6307
Class 'C' Accumulation	907,850.317	11.0293	12.0109	12.9417
Class 'C-H' Accumulation	6,443.292	9.2880	10.4574	11.1881
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	2,627,005.721	14.9798	16.2824	17.3052
Class 'A' Distribution	140,968.117	12.7289	14.1971	15.2775
Class 'C' Accumulation	201,393.741	12.4378	13.4374	14.1959
Class 'C' Distribution	52,338.401	10.5080	11.6492	12.4606
Class 'CI' Accumulation	4,860,882.231	10.4094	11.2427	11.8726
Class 'JI' Accumulation	38,551.150	9.6219	10.3817	10.9525
Class 'JI' Distribution	384,780.000	9.0033	9.9674	10.6467

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	668,335	806,118	1,011,020
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**668,335**	**806,118**	**1,011,020**

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.47
Class 'A' Distribution	1.47
Class 'A-H' Accumulation	1.49
Class 'A-H' Distribution	1.49
Class 'B' Accumulation	1.97
Class 'B' Distribution	1.97
Class 'B-H' Accumulation	1.99
Class 'B-H' Distribution	1.99
Class 'C' Accumulation	0.87
Class 'C' Distribution	0.86
Class 'C-H' Accumulation	0.89
Class 'C-H' Distribution	0.89
Class 'CI' Accumulation	0.83
Class 'CI-H' Accumulation	0.85
Class 'JI-H' Accumulation	0.75
Class 'JI-H' Distribution	0.75
Singapore dollar	**%**
Class 'A-H' Accumulation	1.48
Class 'A-H' Distribution	1.48
Class 'C-H' Accumulation	0.88
Class 'C-H' Distribution	0.88
Sterling	**%**
Class 'C' Accumulation	0.86
Class 'C' Distribution	0.87
Class 'C-H' Distribution	0.89
Class 'CI' Accumulation	0.83
Class 'CI' Distribution	0.83
Class 'CI-H' Distribution	0.85
Class 'JI-H' Distribution	0.75
Swiss franc	**%**
Class 'A' Accumulation	1.45
Class 'A-H' Accumulation	1.48
Class 'C' Accumulation	0.87
Class 'C-H' Accumulation	0.88

M&G (Lux) Global Macro Bond Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
US dollar	**%**
Class 'A' Accumulation	1.47
Class 'A' Distribution	1.47
Class 'C' Accumulation	0.86
Class 'C' Distribution	0.87
Class 'CI' Accumulation	0.82
Class 'JI' Accumulation	0.73
Class 'JI' Distribution	0.73

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The M&G (Lux) Global Maxima Fund delivered a negative total return (the combination of capital growth and income) across all its share classes.

The sub-fund is an active, long-only equity sub-fund, which uses machine-learning models to select stocks. Machine learning is a type of artificial intelligence. Oversight of stock selections is provided by the sub-fund management team.

The term 'artificial intelligence' refers to the broad study of developing algorithms to imitate human cognitive functions (such as pattern recognition). Machine learning is a subset of artificial intelligence that does not rely on a pre-defined set of rules developed by humans in order to make decisions or predictions. Rather, machine learning techniques 'learn' these rules from historic data and apply these learned rules to the real world to assist decision-making.

Over time, the success of our machine-learning models is determined by the percentage of stocks they pick that outperform (hit rate), along with the magnitude of the outperformance (skew). The skew is measured as the difference between the average outperformance of the winning stock bets and the average underperformance of the losing stock bets.

While the sub-fund's hit rate was in line with expectations at around 52%, this was offset by negative skew, resulting in underperformance over the review period. While the sub-fund is constrained to limit active industry and country exposures, style exposure can vary over time and have an impact on returns. Over the course of the review period, the sub-fund's style exposure was also a drag on returns, with exposure to high residual volatility (a stock's volatility not due to market volatility) being the main detractor.

Stockmarkets around the world were volatile over the period under review, and for the 12 months as a whole, recorded a negative return in euro terms.

Initially, growing concerns about the global economy curbed investor risk appetite. In particular, investors struggled to assess the impact of moving from a low to a high inflation regime. Many of the world's central banks – led by the US Federal Reserve – raised interest rates substantially in response, in an attempt to combat rising prices and this led to a sharp fall in share prices.

However, by the fourth quarter of 2022, signs that inflation was falling raised investors' hopes that central banks might slow their interest rate hikes. Stockmarkets responded by rallying sharply, particularly in October. Further gains were made at the start of 2023, as investor confidence remained intact.

It was not long before concerns over persistently high inflation and the need to tame it by further interest rate rises, resurfaced, which led to falls in share prices. Then in March, confidence in the banking sector was eroded by the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland. However, as the period drew to a close, stockmarkets again were on an upward trajectory.

Investment activity

We apply a systematic bottom-up stockpicking approach, driven by quantitative analysis of individual companies. We use a proprietary database and proprietary machine-learning models to help identify stocks that we expect to outperform the global equities market. The sub-fund management team has experience of managing quantitative equity strategies and is supported by a team of data scientists.

The methodology uses vast amounts of data about companies to establish whether there is an identifiable pattern to outperforming stocks. Rather than relying on individuals to discover investment opportunities, the approach relies on machine learning for idea generation.

From the sub-fund's investable universe of global equities, each stock is assessed on its likelihood of outperforming the global equity market. We then use our judgement, along with feedback from our in-house team of research analysts, to determine which stocks to

Investment review

include in the sub-fund. The result is a high-conviction portfolio of between 50 and 100 stocks.

As part of the portfolio construction process, differences between the sub-fund's country and industry weightings compared to those of the index are constrained.

There were no material changes to the portfolio from a country or industry exposure perspective over the review period. The portfolio has a positive exposure to smaller size, high volatility and cheap value styles, while maintaining relatively neutral exposures to the growth and momentum styles.

Outlook

Concerns about the stability of the banking system have added to an already uncertain macroeconomic environment, but central banks remain committed to their task of fighting inflation, with a clear steer that the current cycle of higher interest rates has further to go.

Rather than second-guess the course of interest rates and economies, we prefer to focus our attention on our systematic investment approach to select stocks.

Up until recently, the era after the global financial crisis had been characterised by a regime of lower interest rates, benign inflation outcomes and the growth factor outperforming value for most of the time.

The monetary and fiscal policy responses by developed economies, especially the US, to the rise in inflation after the COVID-19 pandemic and Russia's attack of Ukraine have caused market participants to question whether we are at the start of a new regime for asset markets. The rise in longer-term interest rates, appears to reflect this view.

Should such a reflationary regime continue, we would expect the environment to be supportive of the multi-factor approach used in the sub-fund, which currently has a heavy value tilt.

Gautam Samarth
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**198,956**	**97.88**
United Kingdom					**7,902**	**3.89**
Centrica	1,676,031	£			2,198	1.08
Imperial Brands	82,019	£			1,925	0.95
Legal & General Group	625,545	£			1,858	0.91
Rolls-Royce Holdings	1,035,670	£			1,921	0.95
Austria						
OMV	39,946	€			**1,828**	**0.90**
Denmark						
Novo Nordisk 'B'	15,802	DKK			**2,496**	**1.23**
France						
Air France-KLM	1,122,169	€			**2,068**	**1.02**
Germany						
Deutsche Lufthansa	186,690	€			**2,080**	**1.02**
Ireland					**9,912**	**4.88**
M&G Global Property Fund USD Class 'G'[a]	1,771,000	US$			1,447	0.71
SPDR Dow Jones Global Real Estate UCITS ETF	131,130	US$			4,078	2.01
Vanguard FTSE All-World UCITS ETF USD Accumulating	42,591	US$			4,387	2.16
Italy						
Banco BPM	559,233	€			**2,197**	**1.08**
Russia						
Moscow Exchange MICEX-RTS[b]	447,723	RUB			**0**	**0.00**
Spain					**6,048**	**2.97**
Acerinox	161,458	€			1,649	0.81
Indra Sistemas	175,644	€			2,410	1.18
Telefónica	456,816	€			1,989	0.98
Turkey						
Migros Ticaret	270,067	TRY			**2,397**	**1.18**
United States					**109,937**	**54.09**
AdvanSix	34,951	US$			1,313	0.65
Akamai Technologies	25,327	US$			1,938	0.95
Ally Financial	63,267	US$			1,591	0.78

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
United States (continued)						
Alphabet 'A'	18,292	US$			1,846	0.91
Amazon.com	21,308	US$			2,171	1.07
American International Group	38,711	US$			1,931	0.95
Ameris Bancorp	41,354	US$			1,495	0.74
Antero Resources	71,036	US$			1,606	0.79
Apple	37,430	US$			6,091	3.00
ArcBest	25,678	US$			2,335	1.15
Axcelis Technologies	15,263	US$			2,049	1.01
Axon Enterprise	8,787	US$			1,932	0.95
Bank of New York Mellon	38,910	US$			1,748	0.86
Bio-Techne	23,948	US$			1,736	0.85
Bloomin' Brands	81,012	US$			2,073	1.02
Cadence Design Systems	9,682	US$			2,012	0.99
Centene	26,395	US$			1,695	0.83
Cigna	6,645	US$			1,691	0.83
Corebridge Financial	90,307	US$			1,437	0.71
Deckers Outdoor	4,640	US$			2,086	1.03
Ethan Allen Interiors	65,564	US$			1,765	0.87
Extreme Networks	99,927	US$			1,828	0.90
FNB	137,539	US$			1,586	0.78
H&E Equipment Services	50,568	US$			2,205	1.09
Hancock Whitney	37,940	US$			1,354	0.67
Inspire Medical Systems	8,409	US$			2,006	0.99
Insulet	6,494	US$			2,065	1.02
Johnson & Johnson	12,325	US$			1,893	0.93
MaxLinear	52,822	US$			1,842	0.91
Medpace Holdings	7,976	US$			1,463	0.72
Microsoft	11,790	US$			3,359	1.65
Motorola Solutions	7,592	US$			2,145	1.06
Nabors Industries	11,253	US$			1,347	0.66
National Vision Holdings	104,618	US$			1,979	0.97

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
United States (continued)						
Neurocrine Biosciences	19,471	US$			1,935	0.95
Pacira BioSciences	46,233	US$			1,857	0.91
PagerDuty	84,648	US$			2,791	1.37
PayPal Holdings	26,258	US$			1,959	0.96
Procore Technologies	30,282	US$			1,851	0.91
Qualys	15,697	US$			1,981	0.97
Samsonite International	749,100	HK$			2,318	1.14
Semtech	51,641	US$			1,307	0.64
Sirius XM Holdings	525,034	US$			2,094	1.03
State Street	22,196	US$			1,667	0.82
Synaptics	16,636	US$			1,840	0.91
Synchrony Financial	55,331	US$			1,583	0.78
Syneos Health	53,987	US$			1,919	0.94
Synopsys	5,963	US$			2,249	1.11
Taylor Morrison Home	51,229	US$			1,909	0.94
UnitedHealth Group	4,022	US$			1,892	0.93
Unum Group	47,254	US$			1,847	0.91
VeriSign	9,383	US$			1,939	0.95
Vimeo	485,710	US$			1,766	0.87
W. R. Berkley	28,711	US$			1,781	0.88
Zillow Group 'C'	45,073	US$			1,878	0.92
ZoomInfo Technologies	79,996	US$			1,961	0.96
Canada					**6,579**	**3.24**
ARC Resources	161,848	CA$			1,805	0.89
Bombardier 'B'	54,660	CA$			2,892	1.42
Vermilion Energy	148,280	CA$			1,882	0.93
Brazil						
Santos Brasil Participacoes	1,124,608	BRL			**1,800**	**0.89**
Mexico						
Grupo Aeroportuario del Sureste 'B'	65,900	MXN			**2,052**	**1.01**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Japan					**11,886**	**5.85**
DMG Mori	137,100	¥			2,296	1.13
Fujikura	312,300	¥			2,204	1.09
Kureha	26,700	¥			1,695	0.83
Nihon M&A Center Holdings	234,600	¥			1,738	0.86
Sumitomo Forestry	117,300	¥			2,305	1.13
Topcon	123,000	¥			1,648	0.81
Australia						
CSL	9,360	AU$			**1,805**	**0.89**
China					**7,830**	**3.85**
AIMA Technology Group	239,500	CNY			2,488	1.22
Kunshan Dongwei Technology 'A'	138,500	CNY			2,007	0.99
Shandong WIT Dyne Health 'A'	289,640	CNY			1,527	0.75
Zhejiang Yinlun Machinery 'A'	871,600	CNY			1,808	0.89
India					**3,653**	**1.80**
Karur Vysya Bank	1,514,802	INR			1,907	0.94
Steel Authority of India	1,725,415	INR			1,746	0.86
Malaysia					**3,525**	**1.73**
CIMB Group Holdings	1,471,300	MYR			1,769	0.87
Public Bank	1,939,600	MYR			1,756	0.86
South Korea						
Doosan Bobcat	68,437	KRW			**2,299**	**1.13**
Thailand						
Krung Thai Bank	4,008,900	THB			**1,940**	**0.95**
Israel					**2,408**	**1.18**
Bank Hapoalim	99,803	ILS			822	0.40
Bank Leumi	212,311	ILS			1,586	0.78
South Africa					**3,866**	**1.90**
Absa Group	186,126	ZAR			1,893	0.93
Impala Platinum Holdings	209,324	ZAR			1,973	0.97
Panama						
Copa Holdings 'A'	23,107	US$			**2,143**	**1.05**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Uruguay						
Arcos Dorados Holdings 'A'	39,477	US$			**305**	**0.15**
Portfolio of investments					**198,956**	**97.88**
Total portfolio					**198,956**	**97.88**
Net other assets/(liabilities)					4,299	2.12
Net assets					**203,255**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	198,956	97.88
Total Investment assets	**198,956**	**97.88**
Total portfolio	**198,956**	**97.88**
Net other assets/(liabilities)	**4,299**	**2.12**
Net assets	**203,255**	**100.00**

[a] Related party (see note 11).
[b] Fair valued.

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-7.1	+17.2	n/a	+9.1	11.12.19
Class 'A' Distribution	-7.2	+17.2	n/a	+9.1	11.12.19
Class 'C' Accumulation	-6.2	+18.4	n/a	+10.2	11.12.19
Class 'C' Distribution	-6.2	+18.4	n/a	+10.2	11.12.19
Class 'CI' Accumulation	-6.1	+18.4	n/a	+10.2	11.12.19
Class 'CI' Distribution	-6.2	+18.4	n/a	+10.2	11.12.19
Class 'E' Accumulation	-6.1	+18.5	n/a	+10.3	11.12.19
Class 'EI' Accumulation	-6.0	+18.6	n/a	+10.4	11.12.19
Class 'ZI' Accumulation	-5.4	+19.3	n/a	+11.1	11.12.19
Singapore dollar					
Class 'A' Accumulation	-10.6	+14.3	n/a	+7.8	11.12.19
Class 'A' Distribution	-10.6	+14.3	n/a	+7.7	11.12.19
Class 'C' Accumulation	-9.7	+15.4	n/a	+8.8	11.12.19
Class 'C' Distribution	-9.7	+15.4	n/a	+8.8	11.12.19
Swiss franc					
Class 'A' Accumulation	-9.7	+15.0	n/a	+6.2	11.12.19
Class 'A' Distribution	-9.8	+15.0	n/a	+6.1	11.12.19
Class 'C' Accumulation	-8.8	+16.1	n/a	+7.2	11.12.19
Class 'C' Distribution	-8.9	+16.1	n/a	+7.2	11.12.19

M&G (Lux) Global Maxima Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
US dollar					
Class 'A' Accumulation	-9.0	+16.9	n/a	+8.5	11.12.19
Class 'A' Distribution	-9.0	+16.9	n/a	+8.5	11.12.19
Class 'C' Accumulation	-8.1	+18.1	n/a	+9.6	11.12.19
Class 'C' Distribution	-8.1	+18.1	n/a	+9.6	11.12.19
Class 'CI' Accumulation	-8.0	+18.2	n/a	+9.6	11.12.19
Class 'CI' Distribution	-8.0	+18.2	n/a	+9.6	11.12.19
Class 'E' Accumulation	-8.0	+18.2	n/a	+9.7	11.12.19
Class 'EI' Accumulation	-7.9	+18.3	n/a	+9.7	11.12.19
Class 'ZI' Accumulation	-7.3	+19.1	n/a	+10.4	11.12.19

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	1,050,302.865	13.3267	14.3463	12.8795
Class 'A' Distribution	42,530.125	12.8793	14.1733	12.8315
Class 'C' Accumulation	187,050.249	13.7800	14.6859	13.0494
Class 'C' Distribution	2,400.000	13.3157	14.5056	13.0007
Class 'CI' Accumulation	456,857.802	13.7976	14.6996	13.0583
Class 'CI' Distribution	4,600.000	13.3346	14.5207	13.0084
Class 'E' Accumulation	2,400.000	13.8240	14.7188	13.0673
Class 'EI' Accumulation	4,600.000	13.8443	14.7343	13.0754
Class 'ZI' Accumulation	4,600.000	14.1447	14.9564	13.1865
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A' Accumulation	2,400.000	12.7958	14.3117	13.4921
Class 'A' Distribution	2,400.000	12.3629	14.1358	13.4405
Class 'C' Accumulation	2,400.000	13.2256	14.6453	13.6691
Class 'C' Distribution	2,400.000	12.7805	14.4658	13.6167
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A' Accumulation	2,400.000	12.1812	13.4895	13.0609
Class 'A' Distribution	2,400.000	11.7697	13.3240	13.0110
Class 'C' Accumulation	4,090.000	12.5898	13.8037	13.2326
Class 'C' Distribution	2,400.000	12.1672	13.6353	13.1819

Financial highlights

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	80,353.377	13.0758	14.3679	13.6418
Class 'A' Distribution	7,255.115	12.6357	14.1926	13.5899
Class 'C' Accumulation	2,400.000	13.5178	14.7046	13.8210
Class 'C' Distribution	2,400.000	13.0632	14.5250	13.7682
Class 'CI' Accumulation	4,600.000	13.5356	14.7187	13.8281
Class 'CI' Distribution	4,600.000	13.0800	14.5385	13.7753
Class 'E' Accumulation	2,400.000	13.5625	14.7388	13.8390
Class 'EI' Accumulation	4,600.000	13.5803	14.7526	13.8463
Class 'ZI' Accumulation	12,673,431.000	13.8752	14.9753	13.9644

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	203,255	94,100	72,211
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**203,255**	**94,100**	**72,211**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.97
Class 'A' Distribution	1.97
Class 'C' Accumulation	0.97
Class 'C' Distribution	0.98
Class 'CI' Accumulation	0.93
Class 'CI' Distribution	0.93
Class 'E' Accumulation	0.88
Class 'EI' Accumulation	0.83
Class 'ZI' Accumulation	0.18
Singapore dollar	**%**
Class 'A' Accumulation	1.97
Class 'A' Distribution	1.97
Class 'C' Accumulation	0.97
Class 'C' Distribution	0.97

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Swiss franc	**%**
Class 'A' Accumulation	1.97
Class 'A' Distribution	1.97
Class 'C' Accumulation	0.97
Class 'C' Distribution	0.97
US dollar	**%**
Class 'A' Accumulation	1.97
Class 'A' Distribution	1.97
Class 'C' Accumulation	0.97
Class 'C' Distribution	0.97
Class 'CI' Accumulation	0.93
Class 'CI' Distribution	0.93
Class 'E' Accumulation	0.87
Class 'EI' Accumulation	0.83
Class 'ZI' Accumulation	0.18

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Portfolio review

Global stockmarkets fell in the 12 months under review, as investors juggled concerns about rising inflation, tightening central bank policy, and a short-lived banking crisis which began in the US and spread to Europe.

The sub-fund itself fell in the period, although it outperformed its benchmark, the MSCI World Net Return Index. The sub-fund's security selection within the healthcare sector was the biggest driver of relative outperformance. In contrast, the sub-fund's lack of exposure to the energy sector was the main drag on returns versus the benchmark.

Looking at individual companies, the biggest detractor to relative performance was Ball Corporation, as the company revealed that it had stopped production at several of its less efficient US facilities in the face of slowing demand. The sub-fund also suffered from its overweight position in Alphabet (Google's parent company) as the market re-evaluated technology stocks in a higher interest rate environment.

On the positive side, the sub-fund's relative performance benefited from strong stock selection, particularly within healthcare, financials and technology. The biggest individual contributor was Novo Nordisk, as the Danish pharmaceuticals company continued its upward trajectory, after raising its full-year earnings expectations in November. Manhattan Associates was also a positive contributor as the supply-chain software specialist's share price rose strongly after reporting record results for the fourth quarter and full-year 2022. The sub-fund's lack of exposure to Amazon boosted relative returns during what was a challenging period for large-cap US tech stocks.

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.

Engagement activity

We engaged with several companies over the period. We met with industrial gas producer Linde, which we encouraged to increase female representation at board level. The company confirmed that it was in the process of recruiting a new board member, with several highly-qualified women as potential candidates, and that maintaining board diversity was something the company was actively working on.

We also engaged with UnitedHealth Group on a number of topics, including setting 'science-based' emission reduction targets, assessing its Scope 3 emissions, and improving disclosure of governance and incentives in the next sustainability report. We were encouraged to see that UnitedHealth has now committed to validating their emission reduction targets with the Science Based Targets initiative, and aims to finish its Scope 3 emissions inventory by the end of 2022. The company also said it will take our suggestions on board for the 2023 sustainability report.

Similarly, we engaged with Ball Corporation to discuss their decarbonisation plans and push for increased ambition around Scope 3 emissions. The company is currently working to align its Scope 3 emission reduction target with a temperature increase of no more than 1.5°C above pre-industrial times (rather than 2°C).

We met with WH Smith to discuss staff remuneration, including the number of staff receiving a 'real living wage' amidst the cost of living crisis. This is a wage considered to be proportionate to the true cost of living, after the effects of inflation.

We met with the chief sustainability officer and members of the investor relations team at online marketplace eBay. We asked for greater clarity on the split between new, used and non-new/non-used goods sold, and what the carbon avoidance and landfill avoidance calculations were on those categories. We asked for timeframes for expanding carbon-emissions saving analysis to product categories beyond those already analysed. We also encouraged the company to consider how customers could be incentivised towards more sustainable products. The company was receptive to our suggestions, and would consider some of the points we had raised.

Investment review

We also met with Danish pharma company Novo Nordisk to determine if it had appropriate processes, procedures and checks in place to avoid the misuse of its obesity drug Wegovy.

Novo Nordisk has little control over what physicians are prescribing. The company has to focus on its first-line framework and believes it has good systemic processes in place, such as sales rep training. Novo must educate healthcare professionals on the nature of obesity and available treatments, as thinking around obesity has changed dramatically since many were in medical school. On the other side, Novo needs to educate obese patients that a therapy is available. The company must do all of this without appearing to have a conflict of interest. The company said it would be more proactive talking to authorities and that it could monitor prescriptions in the US down to the physician, meaning it had some capability to look for potential misuse of the drug.

Investment activities

In the final quarter of 2022, we opened small positions in technology companies eBay and Adobe. We sold our holdings in US bank M&T and video game specialist Electronic Arts.

The sub-fund sold its small position in JD.com, which it received in January after investee company Tencent distributed its stake in JD.com to shareholders.

Outlook

While there are signs of weakening inflation, particularly in the US, tight job markets suggest inflationary pressures remain with slowing global growth leading to expectations of recession and uncertainty around what central bank rate decisions might be. It looks likely to be a case of not 'if' there will be a recession, but how deep and long the global slowdown is likely to last.

These conditions may make equities look risky, but our sub-fund remains balanced and diversified, with a focus on being prepared for volatility ahead. Strong stock selection underpins our sub-fund, and we assess companies' quality, financial strength and ability to deal with external shocks, giving us confidence they can weather a downturn. We seek to invest in quality companies that are well-positioned to survive and thrive in the long term.

Looking at the current portfolio, we remain confident in the quality of the companies we invest in, and we continue to be optimistic about their ability to generate long-term value, while also contributing towards the goals of the Paris Agreement on climate change.

John William Olsen
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 9 fund under SFDR. Information related to the sustainable investments of the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**253,172**	**95.56**
Chemicals						
Linde	24,748	€			**8,641**	**3.26**
Containers & packaging						
Ball	88,850	US$			**4,826**	**1.82**
Building products						
Johnson Controls International	135,397	US$			**8,065**	**3.04**
Electrical equipment						
Schneider Electric	70,644	€			**11,713**	**4.42**
Machinery					**10,743**	**4.05**
Graco	72,302	US$			5,199	1.96
Weir Group	243,067	£			5,544	2.09
Commercial services & supplies					**7,050**	**2.66**
ISS	201,975	DKK			4,090	1.54
UniFirst	17,032	US$			2,960	1.12
Marine						
Kuehne & Nagel International	27,399	CHF			**8,096**	**3.06**
Internet & direct marketing retail						
eBay	146,202	US$			**6,428**	**2.43**
Specialty retail						
WH Smith	585,779	£			**10,881**	**4.11**
Food products						
Nestlé	56,647	CHF			**6,882**	**2.60**
Household products						
Reckitt Benckiser Group	54,466	£			**4,212**	**1.59**
Personal products						
Unilever	195,636	£			**10,238**	**3.86**
Health care equipment & supplies						
Becton Dickinson	36,484	US$			**8,951**	**3.38**
Health care providers & services						
UnitedHealth Group	32,323	US$			**15,207**	**5.74**
Pharmaceuticals					**17,339**	**6.54**
ALK-Abello	204,638	DKK			3,146	1.19

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Pharmaceuticals (continued)						
Novo Nordisk 'B'	89,873	DKK			14,193	5.35
Banks						
ING Groep	330,659	€			**3,916**	**1.48**
Thrifts & mortgage finance						
Housing Development Finance	188,824	INR			**6,037**	**2.28**
Consumer finance					**24,474**	**9.24**
American Express	47,386	US$			7,728	2.92
Discover Financial Services	73,131	US$			7,197	2.72
Visa 'A'	42,873	US$			9,549	3.60
Capital markets					**9,553**	**3.61**
Bank of New York Mellon	89,619	US$			4,026	1.52
Morningstar	27,872	US$			5,527	2.09
Insurance						
Tokio Marine Holdings	387,900	¥			**7,429**	**2.80**
Software					**46,332**	**17.49**
Adobe	24,593	US$			9,419	3.55
Ansys	21,613	US$			7,070	2.67
Manhattan Associates	76,594	US$			11,676	4.41
Microsoft	63,771	US$			18,167	6.86
Interactive Media & Services					**16,159**	**6.10**
Alphabet 'A'	107,011	US$			10,802	4.08
Tencent Holdings	109,000	HK$			5,357	2.02
Currency					**1**	**0.00**
Forward currency contracts					**1**	**0.00**
Bought for US$ 2,577.30, Sold for ZAR 46,964.57			19.04.2023		0	0.00
Bought for ZAR 860,667.42, Sold for US$ 47,233.88			19.04.2023		1	0.00
Portfolio of investments					**253,173**	**95.56**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Cash equivalents					**10,575**	**3.99**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	10,575,000	US$			**10,575**	**3.99**
Total portfolio					**263,748**	**99.55**
Net other assets/(liabilities)					1,201	0.45
Net assets					**264,949**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	253,172	95.56
Unrealised gains on forward currency contracts	1	0.00
Total Investment assets	**253,173**	**95.56**
Total portfolio	**253,173**	**95.56**
Cash equivalents	**10,575**	**3.99**
Net other assets/(liabilities)	**1,201**	**0.45**
Net assets	**264,949**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts US$'000
State Street Bank and Trust Company	101

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-2.5	+15.9	+11.1	+6.9	28.11.01	09.11.18
Class 'A' Distribution	-2.5	+15.9	+11.1	+10.0	08.08.14	09.11.18
Class 'B' Accumulation	-3.0	+15.4	+10.6	+9.2	21.03.16	09.11.18
Class 'C' Accumulation	-1.5	+17.1	+12.3	+7.9	28.11.01	09.11.18
Class 'C' Distribution	-1.5	+17.1	+12.3	+11.2	08.08.14	09.11.18
Class 'CI' Accumulation	-1.5	+17.2	+12.4	+8.6	28.11.01	19.11.18
South African rand						
Class 'A-H' Accumulation	n/a	n/a	n/a	+9.6	n/a	24.05.22
Class 'X-H' Accumulation	n/a	n/a	n/a	+8.5	n/a	24.05.22
Swedish Krona						
Class 'N' Accumulation	+6.9	+17.7	+13.4	+7.9	n/a	22.02.23

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A' Accumulation	-4.4	+15.7	+8.4	+8.9	19.12.08	09.11.18
Class 'A' Distribution	-4.5	+15.7	+8.4	+7.4	08.08.14	09.11.18
Class 'C' Accumulation	-3.5	+16.8	+9.5	+10.0	19.12.08	09.11.18
Class 'C' Distribution	-3.5	+16.8	+9.5	+8.5	08.08.14	09.11.18
Class 'CI' Accumulation	-3.5	+16.9	+9.7	+10.7	19.12.08	19.11.18
Class 'X' Accumulation	n/a	n/a	n/a	-4.0	n/a	21.04.22

[a] Sub-fund performance before the launch of the sub-fund on 9 November 2018 is that of the relevant Merged Share Class of the M&G Global Sustain Paris Aligned Fund, which includes UK taxes but excludes entry and exit charges. The M&G Global Sustain Paris Aligned Fund is a UK authorised sub-fund which launched on 19 December 1967 and its non-Sterling share classes merged into M&G (Lux) Global Sustain Paris Aligned Fund on 9 November 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	1,822,333.438	41.8920	42.9543	37.1502
Class 'A' Distribution	19,622.436	38.5646	39.9562	34.8655
Class 'B' Accumulation	220,532.605	18.5710	19.1377	16.6347
Class 'C' Accumulation	2,349,343.892	50.7786	51.5498	44.1445
Class 'C' Distribution	376.170	45.4458	46.6096	40.2625
Class 'CI' Accumulation	2,561,787.179	16.0054	16.2416	13.9017
South African rand		**ZAR**	**ZAR**	**ZAR**
Class 'A-H' Accumulation	2,566.734	164.4478	n/a	n/a
Class 'X-H' Accumulation	2,566.667	162.7189	n/a	n/a
Swedish Krona		**SEK**	**SEK**	**SEK**
Class 'N' Accumulation	1,232.546	101.7958	n/a	n/a
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	55,092.164	33.9241	35.5037	32.4780
Class 'A' Distribution	5,504.331	31.1504	32.9416	30.4018
Class 'C' Accumulation	5,724.461	39.0242	40.4356	36.6203
Class 'C' Distribution	396.957	35.0119	36.6517	33.4859
Class 'CI' Accumulation	4,600.000	15.2270	15.7717	14.2777
Class 'X' Accumulation	1,000.000	9.6038	n/a	n/a

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	264,949	183,423	124,015
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**264,949**	**183,423**	**124,015**

M&G (Lux) Global Sustain Paris Aligned Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.95
Class 'A' Distribution	1.95
Class 'B' Accumulation	2.45
Class 'C' Accumulation	0.95
Class 'C' Distribution	0.95
Class 'CI' Accumulation	0.92
South African rand	**%**
Class 'A-H' Accumulation	1.99
Class 'X-H' Accumulation	2.99
Swedish Krona	**%**
Class 'N' Accumulation	1.73
US dollar	**%**
Class 'A' Accumulation	1.95
Class 'A' Distribution	1.95
Class 'C' Accumulation	0.95
Class 'C' Distribution	0.95
Class 'CI' Accumulation	0.91
Class 'X' Accumulation	2.96

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review saw both equity (company shares) and bond (debt) markets deliver negative returns. Investor sentiment turned negative during the period as surging inflation rates and concerns about weakening economic growth affected countries around the world. Markets experienced volatility as most major central banks raised interest rates to combat fast rises in consumer prices. The combination of high interest rates and high inflation weighed heavily on riskier assets. This negative sentiment was compounded by a short-lived banking crisis that started in the US and spread to Europe.

Against this difficult investment climate, the sub-fund delivered a positive return over the review period, driven by our investment strategy of adjusting the portfolio in response to a volatile investment environment. We also benefited from our portfolio's allocation to a broad range of asset classes. The sub-fund successfully outperformed its benchmark during the period.

Investment activities

We continued to position our portfolio defensively during the review period by maintaining a higher allocation to cash and short-term government bonds. At the same time, we scaled down our equity exposure at times during this period, relying more on the futures markets to participate in market volatility. We started adding back to the equity position at the end of the period under review, seeking to take advantage of what we see as attractive opportunities.

Between mid-August and the end of September, we added various short positions in the S&P 500 Index seeking to capitalise on the weaknesses in the US stockmarket, as we felt the market was vulnerable to persistent concerns over inflation and higher interest rates.

At the beginning of October, we also added equity exposure to East Asian stockmarkets, especially in Hong Kong. After falling steeply in 2022, we felt that these markets had potentially attractive relative value compared to other regions.

In government bonds, we reduced our exposure to some emerging market bonds by closing our positions in Indonesia and scaling down our holdings in Mexico and Brazil. However, we added a small position in Poland.

Elsewhere, we were bearish towards developed market government bonds, especially in the US and Germany. This reflected our view that the market was potentially underestimating the extent of future interest rate increases that might be carried out by the Federal Reserve and European Central Bank. Short positions in 5-year US Treasuries and 2-year German government bonds benefited from a period of rising interest rates.

We were active in managing our exposure to the UK yield curve during the review period. Following the 'mini budget' of the new UK government led by Prime Minister Truss in late September, we took advantage of the higher yields available by buying long-dated UK government bonds and also receiving exposure to UK swap rates at a 3-year maturity. Both of these positions were closed during October after strong gains.

Outlook

Overall, recent portfolio changes are designed to strike a prudent balance between seeking opportunities to increase the value of the portfolio, while also providing diversification and offering the potential to protect capital in adverse scenarios. Given the portfolio's currently broad diversification across asset classes and against a variety of potential future scenarios, which remain uncertain, we believe we are well-positioned to navigate and, importantly, respond to any further developments in the period ahead.

The currently volatile backdrop provides opportunities for active investors, although given the degree of prevailing uncertainty we believe it is prudent to be highly tactical.

Moreover, the flexibility of the sub-fund in being able to take short positions in assets provides scope to generate returns in falling markets should we assess

Investment review

(correctly) that certain asset prices are vulnerable to economic and market developments.

Alongside these two factors, we believe that our ability to invest in an array of asset classes and geographies makes us well-placed to navigate and respond to future developments in the current investment environment.

Tristan Hanson
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities					**5,869**	**9.38**
Software & computer services						
NetLink NBN Trust	463,700	SG$			**277**	**0.44**
Banks					**879**	**1.41**
China Construction Bank 'H'	463,000	HK$			277	0.44
Hana Financial Group	10,734	KRW			309	0.50
KB Financial Group	8,708	KRW			293	0.47
Investment banking & brokerage services					**2,523**	**4.03**
Equity portfolios (as part of the above industry group)						
Greencoat UK Wind	345,040	£			616	0.99
iShares MSCI Emerging Markets Investable Market Index	47,187	US$			1,291	2.06
Xtrackers MSCI USA Banks UCITS ETF	39,138	£			616	0.98
Automobiles & parts						
Brilliance China Automotive Holdings	578,000	HK$			**234**	**0.37**
Construction & materials						
Sinopec Engineering Group 'H'	675,500	HK$			**310**	**0.50**
Industrial support services						
Sinotrans 'H'	1,099,000	HK$			**313**	**0.50**
Industrial transportation					**435**	**0.70**
COSCO SHIPPING Ports	218,806	HK$			135	0.22
Pacific Basin Shipping	845,000	HK$			300	0.48
Non-renewable energy						
Sinopec Kantons Holdings	950,000	HK$			**321**	**0.51**
Renewable energy						
Greencoat Renewables	553,469	€			**607**	**0.97**
Equity derivatives					**(30)**	**(0.05)**
Equity index futures					**(57)**	**(0.09)**
Topix Index Futures	5	¥	08.06.2023	691	19	0.03
FTSE 100 Index Futures	7	£	16.06.2023	609	9	0.02
S&P MINI 500 Futures	(14)	US$	16.06.2023	2,646	(85)	(0.14)
Equity options						
S&P 500 Call US$ 4,200.00	24	US$	21.04.2023	22	**27**	**0.04**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income					**16,629**	**26.58**
Bond portfolios					**3,466**	**5.54**
M&G Total Return Credit Investment Fund Euro Class 'A' (Accumulation)[a]	12,361	€			1,571	2.51
M&G Short Dated Corporate Bond Fund GBP Class 'I' (Distribution)[a]	165,641	£			1,895	3.03
Debt securities					**13,157**	**21.03**
'AAA' credit rated bonds					**6,595**	**10.54**
Bowbell No. 2 FRN	61,366	£	16.04.2056		70	0.11
Castell FRN	245,000	£	25.03.2053		280	0.45
CMF FRN	124,278	£	16.01.2057		141	0.23
Coventry Building Society FRN	825,000	£	15.01.2025		941	1.50
Darrowby No. 5 FRN	163,635	£	20.12.2057		186	0.30
Export Development Canada FRN	1,550,000	£	17.01.2025		1,770	2.83
Holmes Master Issuer FRN	160,909	£	15.10.2054		183	0.29
Lanark Master Issuer FRN	141,900	£	22.12.2069		162	0.26
Leeds Building Society FRN	825,000	£	15.01.2025		941	1.51
Royal Bank of Canada FRN	574,000	£	30.01.2025		653	1.04
Royal Bank of Canada FRN	555,000	£	18.01.2028		634	1.01
TSB Bank FRN	556,000	£	14.02.2027		634	1.01
'AA' credit rated bonds						
US Treasury Bond I/L 0.125%	1,843,000	US$	15.02.2052		**1,250**	**2.00**
'BBB' credit rated bonds					**1,861**	**2.97**
Mexico (United Mexican States) 1.45%	871,000	€	25.10.2033		630	1.01
Mexico (United Mexican States) 7.75%	12,935,100	MXN	29.05.2031		617	0.98
Mexico (United Mexican States) 8.5%	12,638,600	MXN	18.11.2038		614	0.98
'BB' credit rated bonds					**3,451**	**5.52**
Brazil (Federal Republic of) 10%	7,798,000	BRL	01.01.2029		1,273	2.04
South Africa (Republic of) 8.5%	52,560,000	ZAR	31.01.2037		2,178	3.48
Debt derivatives					**6**	**0.01**
Credit default swaps						
Markit iTraxx Europe Xover Series 37 5 Year Jun 2027	2,983,903	€			**37**	**0.06**
Interest rate futures						
US Treasury Notes 10 year Futures	(89)	US$	21.06.2023	83	**(31)**	**(0.05)**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Currency					**183**	**0.29**
Forward currency contracts					**183**	**0.29**
Bought for US$ 1,599,736.08, Sold for TWD 48,133,383.00			12.04.2023		18	0.03
Bought for CLP 469,621,219.00, Sold for US$ 575,487.99			27.04.2023		16	0.03
Bought for KRW 152,347,602.00, Sold for US$ 116,332.73			27.04.2023		0	0.00
Bought for US$ 1,500,799.24, Sold for KRW 1,846,347,631.00			27.04.2023		78	0.12
Bought for € 525,851.25, Sold for CHF 524,548.72			28.04.2023		(1)	0.00
Bought for € 11,604,113.37, Sold for £ 10,252,254.10			28.04.2023		(58)	(0.09)
Bought for € 2,332,118.72, Sold for HKD 19,874,668.71			28.04.2023		3	0.00
Bought for € 1,428,531.36, Sold for ¥ 203,551,953.00			28.04.2023		21	0.03
Bought for € 291,224.72, Sold for SGD 417,991.05			28.04.2023		2	0.00
Bought for € 4,624,527.66, Sold for US$ 5,051,141.81			28.04.2023		(15)	(0.02)
Bought for € 2,305,819.04, Sold for ZAR 43,628,339.77			28.04.2023		60	0.10
Bought for £ 1,502,487.23, Sold for € 1,701,042.26			28.04.2023		8	0.01
Bought for HUF 237,005,564.00, Sold for € 590,508.60			28.04.2023		27	0.04
Bought for PLN 2,660,804.04, Sold for € 556,748.26			28.04.2023		10	0.02
Bought for ZAR 11,394,381.95, Sold for € 573,085.52			28.04.2023		14	0.02
Portfolio of investments					**22,681**	**36.25**
Share class hedging					**(6)**	**(0.01)**
Bought for CHF 51,773.74, Sold for € 53,269.68			19.04.2023		(2)	0.00
Bought for £ 28,951.13, Sold for € 32,695.21			19.04.2023		0	0.00
Bought for US$ 369,419.41, Sold for € 344,058.27			19.04.2023		(4)	(0.01)
Total portfolio					**22,675**	**36.24**
Net other assets/(liabilities)					39,897	63.76
Net assets					**62,572**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	3,376	5.40
Equity portfolios	2,523	4.03
Bond portfolios	3,466	5.54
Debt securities	13,157	21.03
Swap contracts	77	0.12
Unrealised gains on futures contracts	28	0.05
Unrealised gains on forward currency contracts	257	0.40
Unrealised gains on options contracts	27	0.04
Total Investment assets	**22,911**	**36.61**
Investment liabilities		
Swap contracts	(40)	(0.06)
Unrealised losses on futures contracts	(116)	(0.19)
Unrealised losses on forward currency contracts	(80)	(0.12)
Total Investment liabilities	**(236)**	**(0.37)**
Total portfolio	**22,675**	**36.24**
Net other assets/(liabilities)	**39,897**	**63.76**
Net assets	**62,572**	**100.00**

[a] Related party (see note 11).

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures			
	Swaps €'000	Forward currency contracts €'000	Futures €'000	Options €'000
Bank of America Merrill Lynch	0	0	4,029	22
Barclays Bank London	229	4,118	0	0
Citigroup Global Markets Limited	95,160	2,626	0	0
Goldman Sachs International	1,763	0	0	0
HSBC Bank Plc	0	16,945	0	0
JP Morgan London	0	29,238	0	0
National Australia Bank Ltd	0	404	0	0
State Street Bank and Trust Company	0	855	0	0
State Street Bank and Trust Company, London Branch	0	8,358	0	0
UBS AG London	0	5,261	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	+3.6	+4.8	+0.9	+1.2	21.12.16
Class 'B' Accumulation	+3.1	+4.3	+0.4	+0.7	21.12.16
Class 'C' Accumulation	+4.4	+5.6	+1.7	+2.0	21.12.16
Class 'CI' Accumulation	+4.5	+5.6	+1.7	+2.0	21.12.16
Sterling					
Class 'C-H' Accumulation	+6.2	+6.7	+2.7	+3.0	21.12.16
Swiss franc					
Class 'A-H' Accumulation	+2.9	+4.4	+0.6	+0.8	21.12.16
Class 'C-H' Accumulation	+3.7	+5.2	+1.3	+1.6	21.12.16
US dollar					
Class 'A-H' Accumulation	+6.3	+6.4	+3.1	+3.3	21.12.16
Class 'C-H' Accumulation	+7.1	+7.2	+3.8	+4.1	21.12.16

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	512,976.607	10.7726	10.3933	10.1182
Class 'B' Accumulation	102,439.828	10.4427	10.1266	9.9080
Class 'C' Accumulation	1,396,310.087	11.2921	10.8137	10.4487
Class 'CI' Accumulation	3,513,277.839	11.3237	10.8392	10.4695
Sterling		**£**	**£**	**£**
Class 'C-H' Accumulation	2,416.000	12.0081	11.3053	10.8457
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,406.000	10.5182	10.2214	9.9699
Class 'C-H' Accumulation	2,410.000	11.0318	10.6353	10.2964
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	27,544.598	12.2837	11.5503	11.1433
Class 'C-H' Accumulation	2,425.000	12.8631	12.0088	11.5012

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	62,572	61,857	89,602
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**62,572**	**61,857**	**89,602**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.48
Class 'B' Accumulation	1.99
Class 'C' Accumulation	0.73
Class 'CI' Accumulation	0.69
Sterling	**%**
Class 'C-H' Accumulation	0.76

M&G (Lux) Global Target Return Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Swiss franc	**%**
Class 'A-H' Accumulation	1.49
Class 'C-H' Accumulation	0.74
US dollar	**%**
Class 'A-H' Accumulation	1.52
Class 'C-H' Accumulation	0.74

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The sub-fund underperformed the MSCI ACWI Net Return Index due to market timing differences. The sub-fund, which is priced at 1pm in Luxembourg, did not include the gains in North America on the last trading day in March, when the S&P 500 Index rose 1.4%. The US and Canada account for more than 50% of the portfolio by weighting.

Stock selection added value, with the strongest contribution from industrials (Siemens), materials (Air Products and Chemicals) and consumer staples (Unilever).

Stock selection also made a positive contribution in technology, with Infineon Technologies, the German semiconductor company, leading the gains.

Sector allocation benefited from an overweight relative to the benchmark in a buoyant energy sector. PrairieSky Royalty made the biggest contribution to sub-fund performance in the sector. We continue to believe that the Canadian company, which receives royalties from oil & gas bearing lands, remains well placed for long-term growth, and that the cashflows running into perpetuity with minimal operating costs, capital commitment or environmental liabilities present a compelling opportunity for long-term investors, with the added benefit of industry-leading credentials for ESG and sustainability.

First Republic Bank led the detractors. Our only holding in US banks was rescued by an injection of capital from larger banks after the regional bank became the focus of speculation about the risk of potential failure. First Republic is a small holding in the portfolio and the position is under review.

Investment activities

We made five new purchases and divested three positions – a level of turnover consistent with our long-term investment horizon of three to five years.

We initiated a new holding in Lululemon Athletica in the belief that the company is at the early stages of a long-term growth trajectory, driven by the development of Lululemon as a global brand for active lifestyles. The stark and indiscriminate selloff in the consumer discretionary sector provided an attractive entry point.

The negative sentiment which overshadowed the real estate sector provided us with what we saw as a buying opportunity for Alexandria Real Estate and Segro. Alexandria, which is structured as a real estate investment trust (REIT), provides exposure to life science infrastructure – the critical assets behind the research and development of drugs to address society's ongoing medical needs. Segro provides exposure to the long-term growth trend in e-commerce, with its portfolio of strategically located warehouses and fulfilment sites. The UK-listed company has exciting opportunities for growth in Europe, in our view, as well as a broad tenant base, including new economy businesses such as Amazon and Hello Fresh.

Toray Industries and BYD, both based in Asia, were the final purchases during the review period. Toray, based in Japan, has sustainability at its core as a market leader in carbon composites, which provide the aerospace industry with fuel efficiency benefits owing to their lighter weight compared to traditional materials. The application of composite technology has expanded into other industries including renewables for use in wind turbines as well as the development of hydrogen as a future fuel. We invested in BYD to diversify our exposure to the explosive growth in electric vehicles. We bought the Hong Kong-listed shares.

We gained three additional holdings by way of spinoffs: Embecta, Brookfield Corp and Meituan. We divested the small positions in Embecta, which was spun out of Becton Dickinson, and Meituan, the Chinese food delivery platform spun off by Tencent. We took the same course of action with JD.com, China's largest online retailer, which was also spun off by Tencent. Brookfield Corp has been retained as a core holding after the successful spinoff of a partial stake in its asset management business.

Investment review

We divested Epiroc (industrials) Unite Group (real estate) and Johnson & Johnson (healthcare) as a source of cash.

Outlook

We are under no illusion about the tougher economic times ahead, but we remain resolutely focused on the multi-decade trends that underpin our thematic approach. We remain active in our quest for new ideas.

We are undeterred in our belief that the sub-fund's chosen themes – from the road to zero carbon to cloud and connectivity – will persist for many years to come and that the beneficiaries of these powerful trends can generate profitable growth for a variety of stakeholders, including employees, customers, shareholders and broader society.

The ability to generate cashflow is absolutely critical in our company analysis. We are not investing in hope alone. History is littered with examples of blue sky concepts which never turned a profit, and speculative companies which commanded exorbitant multiples during their glory days have seen their unrealistic expectations pegged back. Fundamentals and value are the key determinants of long-term return, in our view.

Alex Araujo
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**639,689**	**98.84**
Oil, gas & consumable fuels					**38,481**	**5.95**
Cheniere Energy	43,030	US$			6,762	1.04
ONEOK	151,350	US$			9,484	1.47
PrairieSky Royalty	1,424,231	CA$			22,235	3.44
Chemicals					**18,714**	**2.89**
Air Products and Chemicals	32,327	US$			9,059	1.40
Toray Industries	1,698,100	¥			9,655	1.49
Construction materials						
Martin Marietta Materials	18,922	US$			**6,642**	**1.03**
Metals & mining						
Franco-Nevada	133,459	CA$			**19,401**	**3.00**
Construction & engineering					**12,536**	**1.94**
Transurban Group	646,686	AU$			6,146	0.95
Vinci	55,650	€			6,390	0.99
Electrical equipment						
Siemens Energy	578,975	€			**12,641**	**1.95**
Industrial conglomerates						
Siemens	80,792	€			**13,069**	**2.02**
Machinery						
Weichai Power 'H'	4,283,000	HK$			**6,885**	**1.06**
Commercial services & supplies						
Republic Services	46,496	US$			**6,280**	**0.97**
Road & rail						
CSX	316,013	US$			**9,331**	**1.44**
Auto components						
Magna International	306,203	US$			**15,951**	**2.46**
Automobiles					**18,750**	**2.90**
BYD 'H'	308,000	HK$			9,041	1.40
Toyota Motor	687,100	¥			9,709	1.50
Household durables						
Garmin	65,824	US$			**6,518**	**1.01**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Leisure products						
Shimano	57,200	¥			**9,826**	**1.52**
Textiles, apparel & luxury goods						
Lululemon Athletica	46,675	US$			**16,750**	**2.59**
Beverages						
PepsiCo	35,011	US$			**6,340**	**0.98**
Personal products					**16,029**	**2.48**
L'Oreal	21,839	€			9,758	1.51
Unilever	119,829	£			6,271	0.97
Health care equipment & supplies						
Becton Dickinson	51,212	US$			**12,565**	**1.94**
Health care providers & services					**20,755**	**3.21**
CVS Health	110,724	US$			8,239	1.27
Elevance Health	13,575	US$			6,242	0.97
Laboratory Corporation of America Holdings	27,900	US$			6,274	0.97
Pharmaceuticals					**29,999**	**4.63**
AstraZeneca	44,837	£			6,262	0.97
Bristol-Myers Squibb	137,980	US$			9,416	1.45
Roche Holding	45,064	CHF			12,808	1.98
Starpharma Holdings	4,862,074	AU$			1,513	0.23
Banks					**18,768**	**2.90**
DBS Group Holdings	251,884	SG$			6,253	0.97
Erste Group Bank	341,878	€			11,313	1.75
First Republic Bank	87,945	US$			1,202	0.18
Consumer finance						
Visa 'A'	28,909	US$			**6,439**	**0.99**
Capital markets					**16,827**	**2.60**
Brookfield	325,655	US$			10,326	1.60
Brookfield Asset Management 'A'	202,914	US$			6,501	1.00
Insurance					**37,699**	**5.82**
AIA Group	1,163,200	HK$			12,272	1.89
Hannover Rueck	66,855	€			13,136	2.03

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Insurance (continued)						
Manulife Financial	675,850	US$			12,291	1.90
Software						
Microsoft	95,073	US$			**27,084**	**4.18**
Communications equipment					**16,590**	**2.56**
Motorola Solutions	23,941	US$			6,765	1.04
Nokia	2,014,046	€			9,825	1.52
Technology hardware, storage & peripherals						
Samsung Electronics	262,233	KRW			**12,882**	**1.99**
Semiconductors & semiconductor equipment					**51,827**	**8.01**
Infineon Technologies	510,850	€			20,722	3.20
Intel	661,383	US$			21,221	3.28
NXP Semiconductors	54,233	US$			9,884	1.53
Media						
Comcast 'A'	350,736	US$			**13,058**	**2.02**
Entertainment						
Walt Disney	62,425	US$			**6,138**	**0.95**
Interactive Media & Services					**43,473**	**6.72**
Alphabet 'A'	223,898	US$			22,601	3.49
Tencent Holdings	424,700	HK$			20,872	3.23
Electric utilities					**19,965**	**3.08**
Enel	1,094,750	€			6,737	1.04
NextEra Energy	85,843	US$			6,586	1.02
Ørsted	78,907	DKK			6,642	1.02
Gas utilities						
Kunlun Energy	4,417,000	HK$			**3,457**	**0.53**
Water utilities						
American Water Works	44,995	US$			**6,572**	**1.02**
Independent power and renewable electricity producers						
ACCIONA Energias Renovables	251,101	€			**9,682**	**1.50**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Equity Real Estate Investment Trusts (REITs)					**51,765**	**8.00**
Alexandria Real Estate Equities	51,820	US$			6,428	0.99
American Tower	32,460	US$			6,536	1.01
Crown Castle International	93,330	US$			12,373	1.91
Equinix	9,452	US$			6,642	1.03
Segro	1,070,955	£			10,042	1.55
Weyerhaeuser	331,486	US$			9,744	1.51
Portfolio of investments					**639,689**	**98.84**
Cash equivalents					**1,387**	**0.21**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	1,387,000	US$			**1,387**	**0.21**
Total portfolio					**641,076**	**99.05**
Net other assets/(liabilities)					6,140	0.95
Net assets					**647,216**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	639,689	98.84
Total Investment assets	**639,689**	**98.84**
Total portfolio	**639,689**	**98.84**
Cash equivalents	**1,387**	**0.21**
Net other assets/(liabilities)	**6,140**	**0.95**
Net assets	**647,216**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-6.5	+16.0	n/a	+9.8	19.03.19
Class 'A' Distribution	-6.5	+16.0	n/a	+9.8	19.03.19
Class 'C' Accumulation	-5.6	+17.2	n/a	+11.0	19.03.19
Class 'C' Distribution	-5.6	+17.2	n/a	+10.9	19.03.19
Class 'CI' Accumulation	-5.5	+17.2	n/a	+10.7	10.05.19
Class 'CI' Distribution	-5.6	+17.2	n/a	+10.7	10.05.19
Class 'J' Accumulation	-5.4	n/a	n/a	+5.3	16.03.21
Class 'JI' Accumulation	-5.4	n/a	n/a	+5.3	16.03.21
Swiss franc					
Class 'A' Accumulation	-9.1	+13.8	n/a	+5.9	10.05.19
Class 'A' Distribution	-9.2	+13.8	n/a	+5.9	10.05.19
Class 'C' Accumulation	-8.2	+14.9	n/a	+7.0	10.05.19
Class 'C' Distribution	-8.2	+14.9	n/a	+7.0	10.05.19
Class 'CI' Accumulation	-8.2	+15.0	n/a	+7.0	10.05.19
Class 'CI' Distribution	-8.2	+15.0	n/a	+7.0	10.05.19
US dollar					
Class 'A' Accumulation	-8.4	+15.7	n/a	+8.6	10.05.19
Class 'A' Distribution	-8.4	+15.7	n/a	+8.7	10.05.19
Class 'C' Accumulation	-7.5	+16.9	n/a	+9.7	10.05.19
Class 'C' Distribution	-7.5	+16.9	n/a	+9.7	10.05.19
Class 'CI' Accumulation	-7.4	+16.9	n/a	+9.8	10.05.19
Class 'CI' Distribution	-7.4	+16.9	n/a	+9.8	10.05.19

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	27,069,390.737	14.6034	15.6169	13.6975
Class 'A' Distribution	342,650.159	13.8221	15.0411	13.3830
Class 'C' Accumulation	988,508.788	15.2083	16.1023	13.9827
Class 'C' Distribution	1,528.373	14.3776	15.4871	13.6410
Class 'CI' Accumulation	3,306,587.355	14.8579	15.7249	13.6486
Class 'CI' Distribution	4,600.000	14.1214	15.2059	13.3886
Class 'J' Accumulation	2,000.000	11.1156	11.7500	10.1851
Class 'JI' Accumulation	10,576,295.419	11.1211	11.7522	10.1861
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A' Accumulation	1,000.000	12.5061	13.7576	13.0152
Class 'A' Distribution	1,000.000	11.8832	13.3014	12.7658
Class 'C' Accumulation	1,000.000	13.0018	14.1613	13.2632
Class 'C' Distribution	1,000.000	12.3587	13.6943	13.0106
Class 'CI' Accumulation	4,600.000	13.0187	14.1748	13.2721
Class 'CI' Distribution	4,600.000	12.3733	13.7067	13.0183
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	227,096.671	13.8038	15.0672	13.9783
Class 'A' Distribution	1,548.132	13.1224	14.5734	13.7130
Class 'C' Accumulation	1,000.000	14.3569	15.5142	14.2467
Class 'C' Distribution	1,000.000	13.6465	15.0031	13.9759
Class 'CI' Accumulation	778,981.523	14.3771	15.5309	14.2581
Class 'CI' Distribution	4,600.000	13.6643	15.0186	13.9861

M&G (Lux) Global Themes Fund

Financial highlights

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	647,216	728,882	628,878
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**647,216**	**728,882**	**628,878**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	2.02
Class 'A' Distribution	2.02
Class 'C' Accumulation	1.02
Class 'C' Distribution	1.01
Class 'CI' Accumulation	0.98
Class 'CI' Distribution	0.98
Class 'J' Accumulation	0.86
Class 'JI' Accumulation	0.83
Swiss franc	**%**
Class 'A' Accumulation	2.01
Class 'A' Distribution	2.01
Class 'C' Accumulation	1.01
Class 'C' Distribution	1.01
Class 'CI' Accumulation	0.98
Class 'CI' Distribution	0.98
US dollar	**%**
Class 'A' Accumulation	2.02
Class 'A' Distribution	2.01
Class 'C' Accumulation	1.01
Class 'C' Distribution	1.01
Class 'CI' Accumulation	0.98
Class 'CI' Distribution	0.98

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review saw both bonds (fixed income securities) and equities (company shares) deliver negative returns. It was a challenging period for most asset classes, as surging inflation and higher interest rates dampened investor sentiment.

Although there was a continued recovery in the global economy following the COVID-19 pandemic, recession fears emerged as China's zero-COVID-19 policy and the war in Ukraine weighed on economic activity. Towards the end of the period, stresses in the banking industry also rattled financial markets.

Against this challenging background, the sub-fund delivered a negative total return across all of its share classes. Over the 12 months, the sub-fund's volatility has tracked higher than expectations (11.04% for the EUR A Acc class shares vs 4-8% expected) reflecting the volatility seen in the markets over the period. As volatility increased both in equities and fixed income markets last year the sub-fund did not benefit from cross asset diversification. However, we expect diversification to improve going forward given current yield levels in the fixed income space.

Our allocation to equities and core government bonds detracted from performance. However, our holdings in emerging market government bonds contributed positively.

The losses in equities were led by our North American portfolio, in particular our exposure to US financial and technology companies. Our holdings of Canadian banks also detracted. The US banking crisis in March had resulted in heightened volatility in banking and finance stocks. Nevertheless, our holdings in European equities performed well, led by German, Spanish and French companies. The sub-fund's holdings in the UK and Ireland marginally detracted.

Our significant holdings of long-dated US Treasury bonds, which we held as a potential diversifier to our riskier assets, posted losses. The large increase in interest rates had resulted in prices of bonds declining sharply, especially in longer-dated bonds.

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.

Investment activities

Early in the review period, we maintained a modest bias towards riskier assets by holding equities in major developed and developing countries, while having sizeable holdings in US Treasuries, emerging market sovereigns and corporate bonds.

Nonetheless, we turned more cautious towards risk assets in the second half of the review period. We made significant portfolio adjustments by reducing our core government bonds and reinvesting the proceeds into European credit and money market instruments. Money market instruments are debts due to be repaid within a year. These include interbank loans, commercial papers, and Treasury bills.

In April we added two dividend-paying US technology stocks, Intel and Nvidia, as we expected these stocks to exhibit continued earnings growth. In bonds, we initiated a position in 7-year US Treasury notes after a rapid rise in bond yields offered an attractive entry point.

In the autumn, we bought 30-year gilts after bond prices slumped as investors turned bearish over the UK mini-budget. As the price of these recovered in October, we took full advantage of this 'idiosyncratic' episode to close our position.

In US Treasuries, we switched out of 7-year notes into 30-year bonds as the long-dated bonds became more attractive following a sell-off in October. The 30-year Treasuries also provided potential diversification benefits for the sub-fund.

After rallies in global equity and bond markets towards the end of 2022, we reduced exposure to financial and technology stocks in Europe, the US and Japan. We also reduced US government bonds and held the proceeds in cash.

Investment review

Towards the end of the review period, we adjusted our US financial stocks following the US banking crisis.

At the end of the period, our cash and money market positions had increased significantly, in light of our more cautious stance on risk assets.

From 15 February 2023, the sub-fund's objective, investment policy and its strategy were updated to introduce a set of environmental, social and governance (ESG) exclusions. The new strategy was updated to reflect the role of ESG considerations in the sub-funds' investment process.

Outlook

In terms of asset classes, we remain relatively neutral towards equities as we believe valuations are still predicated on elevated earnings in most markets. In bonds, we maintain a slightly underweight position in government bonds and duration. As for credit, we prefer investment grade corporate bonds as they offer an attractive all-in yield.

We also seek to maintain an elevated cash position to take advantage of potential short-term opportunities due to market volatility which we believe will continue in the following months.

Steven Andrew and Stefano Amato
Co-sub-fund managers

Investment review information as at 31 March 2023.

Employees of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation until 15 February 2023

Until 15 February 2023, the sub-fund was 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. From 16 February 2023, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities					**482,302**	**43.17**
Software & computer services					**25,661**	**2.30**
Capgemini	74,028	€			12,581	1.13
Microsoft	49,912	US$			13,080	1.17
Technology hardware & equipment					**71,980**	**6.44**
Apple	72,997	US$			10,928	0.98
ASE Technology Holding	2,106,000	TW$			7,174	0.64
Cisco Systems Delaware	238,253	US$			11,263	1.01
Intel	355,143	US$			10,482	0.94
Lam Research	14,392	US$			7,077	0.63
Lenovo Group	8,224,000	HK$			8,193	0.73
NVIDIA	41,504	US$			10,506	0.94
Texas Instruments	37,427	US$			6,357	0.57
Telecommunications equipment					**8,596**	**0.77**
Lumen Technologies	517,276	US$			1,204	0.11
Shaw Communications 'B'	278,224	CA$			7,392	0.66
Telecommunications service providers						
Consolidated Communications Holdings	402,524	US$			**887**	**0.08**
Health care providers					**18,696**	**1.67**
Quest Diagnostics	80,511	US$			10,325	0.92
UnitedHealth Group	19,343	US$			8,371	0.75
Pharmaceuticals & biotechnology					**16,379**	**1.47**
GSK	393,961	£			6,418	0.58
Pfizer	268,135	US$			9,961	0.89
Banks					**84,068**	**7.52**
Banco Bilbao Vizcaya Argentaria	626,874	€			4,140	0.37
Bank of America	319,770	US$			8,362	0.75
Bank of Montreal	96,206	CA$			7,812	0.70
Bank of Nova Scotia	160,007	CA$			7,371	0.66
BNP Paribas	122,601	€			6,745	0.60
Commonwealth Bank of Australia	78,603	AU$			4,756	0.43
HSBC Holdings	851,723	£			5,374	0.48
ING Groep	344,271	€			3,751	0.34

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Banks (continued)						
Intesa Sanpaolo	1,386,526	€			3,274	0.29
JPMorgan Chase	107,919	US$			12,786	1.14
KBC Group	61,895	€			3,892	0.35
Mizuho Financial Group	416,410	¥			5,405	0.48
PNC Financial Services Group	44,947	US$			5,247	0.47
Sberbank of Russia[a]	86,439	RUB			0	0.00
Wells Fargo	149,763	US$			5,153	0.46
Finance & credit services					**19,468**	**1.74**
American Express	64,313	US$			9,649	0.86
Mastercard 'A'	3,919	US$			1,298	0.12
ORIX	373,100	¥			5,617	0.50
Visa 'A'	14,173	US$			2,904	0.26
Investment banking & brokerage services					**30,434**	**2.72**
Bank of New York Mellon	124,172	US$			5,132	0.46
Nomura Holdings	1,542,200	¥			5,423	0.48
Equity portfolios (as part of the above industry group)						
Greencoat UK Wind	6,324,924	£			11,291	1.01
Renewables Infrastructure Group	6,054,631	£			8,588	0.77
Life insurance						
Legal & General Group	1,583,117	£			**4,325**	**0.39**
Non-life insurance						
Münchener Rückversicherungs-Gesellschaft	17,609	€			**5,682**	**0.51**
Real estate investment & services					**10,169**	**0.91**
Etalon Group[a]	59,414	US$			0	0.00
Kerry Properties	4,319,000	HK$			10,169	0.91
Real estate investment trusts					**22,588**	**2.02**
Advance Residence Investment	3,495	¥			7,632	0.68
Home REIT[b]	7,805,058	£			3,383	0.30
Japan Metropolitan Fund Invest	10,108	¥			6,752	0.61
Stockland	1,970,310	AU$			4,821	0.43

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Automobiles & parts					**24,024**	**2.15**
Daimler Truck Holding	56,123	€			1,741	0.15
Honda Motor	279,700	¥			6,791	0.61
Kia	122,334	KRW			7,006	0.63
Mercedes-Benz Group	120,363	€			8,486	0.76
Household goods & home construction					**28,170**	**2.52**
Barratt Developments	1,965,516	£			10,538	0.94
Coway	87,664	KRW			3,249	0.29
Daiwa House Industry	247,000	¥			5,322	0.48
Procter & Gamble	66,757	US$			9,061	0.81
Leisure goods						
Panasonic Holdings	297,800	¥			**2,430**	**0.22**
Personal goods					**20,300**	**1.82**
LVMH Moët Hennessy Louis Vuitton	10,353	€			8,660	0.78
Unilever	241,797	£			11,640	1.04
Retailers					**9,542**	**0.85**
Home Depot	4,555	US$			1,196	0.11
Industria de Diseno Textil	271,489	€			8,346	0.74
Travel & leisure					**10,252**	**0.92**
East Japan Railway	85,500	¥			4,332	0.39
West Japan Railway	157,100	¥			5,920	0.53
Food producers					**9,915**	**0.89**
Danone	172,187	€			9,915	0.89
X5 Retail Group[a]	10,353	RUB			0	0.00
Personal care, drug & grocery stores						
Haleon	492,452	£			**1,807**	**0.16**
Construction & materials						
Obayashi	892,800	¥			**6,247**	**0.56**
Electronic & electrical equipment					**31,838**	**2.85**
Hitachi	205,900	¥			10,316	0.92
Hon Hai Precision Industry	2,713,600	TW$			8,547	0.77
Horiba	137,100	¥			7,503	0.67

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Electronic & electrical equipment (continued)						
Murata Manufacturing	98,500	¥			5,472	0.49
General industrials						
ITOCHU	292,300	¥			**8,705**	**0.78**
Chemicals						
BASF	116,989	€			**5,650**	**0.51**
Non-renewable energy						
Lukoil ADR[a]	5,672	US$			**0**	**0.00**
Renewable energy						
Greencoat Renewables	4,090,037	€			**4,489**	**0.40**
Fixed income					**605,054**	**54.16**
Bond portfolios					**109,991**	**9.85**
SPDR® Barclays 10+ Year US Corporate Bond ETF	323,324	US$			8,223	0.74
iShares Core EUR Corp Bond UCITS ETF	86,473	€			9,942	0.89
iShares EUR Corp Bond SRI 0-3yr UCITS ETF	5,919,861	€			28,615	2.56
iShares EUR High Yield Corp Bond ESG UCITS ETF	5,928,937	€			28,192	2.52
iShares USD Bond UCITS ETF	105,825	US$			9,983	0.89
iShares USD High Yield Corp Bond UCITS ETF	135,032	US$			11,336	1.02
M&G (Lux) Emerging Markets Hard Currency Bond Fund USD Class 'C' (Distribution)[c]	2,063,722	US$			13,700	1.23
Debt securities					**495,063**	**44.31**
'AAA' credit rated bonds					**22,422**	**2.01**
European Bank for Reconstruction & Development 4.25%	195,310,000,000	IDR	07.02.2028		11,003	0.99
Inter-American Development Bank 5.1%	192,310,000,000	IDR	17.11.2026		11,419	1.02
'AA' credit rated bonds						
US Treasury Note 3%	180,726,000	US$	15.08.2052		**144,225**	**12.91**
'A' credit rated bonds						
Chile (Republic of) 4.7%	25,740,000,000	CLP	01.09.2030		**28,929**	**2.59**
'BBB' credit rated bonds					**56,269**	**5.04**
Admiral Group 5.5%	3,201,000	£	25.07.2024		3,600	0.32
BUPA Finance 5%	487,000	£	25.04.2023		554	0.05

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
E.ON International Finance 5.625%	1,131,000	£	06.12.2023		1,288	0.12
Kraft Heinz Foods 3.875%	3,626,000	US$	15.05.2027		3,249	0.29
Mexico (United Mexican States) 8.5%	584,637,400	MXN	18.11.2038		28,404	2.54
Peru (Republic of) 6.95%	80,490,000	PEN	12.08.2031		19,174	1.72
'BB' credit rated bonds					**81,070**	**7.25**
Brazil (Federal Republic of) 10%	140,318,000	BRL	01.01.2029		22,899	2.05
Cemex 7.375%	2,633,000	US$	05.06.2027		2,493	0.22
Colombia (Republic of) 10%	96,346,400,000	COP	24.07.2024		18,954	1.70
Ford Motor 7.45%	2,543,000	US$	16.07.2031		2,444	0.22
Iron Mountain 5.25%	3,799,000	US$	15.03.2028		3,299	0.29
John Lewis 6.125%	2,347,000	£	21.01.2025		2,615	0.23
Marks & Spencer 6%	1,671,000	£	12.06.2025		1,882	0.17
South Africa (Republic of) 6.25%	602,840,616	ZAR	31.03.2036		20,836	1.86
Sprint Capital 6.875%	2,917,000	US$	15.11.2028		2,868	0.26
VEON Holdings 4%	3,660,000	US$	09.04.2025		2,780	0.25
'B' credit rated bonds					**17,500**	**1.56**
Adient Global Holdings 3.5%	250,932	€	15.08.2024		251	0.02
Aramark Services 6.375%	2,466,000	US$	01.05.2025		2,273	0.20
Avantor Funding 4.625%	3,742,000	US$	15.07.2028		3,219	0.29
Chemours 4%	2,710,000	€	15.05.2026		2,503	0.22
iHeartCommunications 6.375%	2,436,514	US$	01.05.2026		1,956	0.17
Nidda Healthcare Holding 7.5%	2,352,000	€	21.08.2026		2,304	0.21
Summer (BC) Holdco B 5.75%	3,311,000	€	31.10.2026		2,895	0.26
Trivium Packaging Finance 5.5%	2,408,000	US$	15.08.2026		2,099	0.19
'CCC' credit rated bonds					**5,793**	**0.52**
Altice Financial 4.75%	2,572,000	€	15.01.2028		1,940	0.17
CommScope Finance 8.25%	2,441,000	US$	01.03.2027		1,797	0.16
CSC Holdings 7.5%	3,502,000	US$	01.04.2028		2,056	0.19
Bonds with no credit rating					**138,855**	**12.43**
Germany (Federal Republic of) 0%	65,800,000	€	20.09.2023		64,930	5.81

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
Bonds with no credit rating (continued)						
TRU Taj 12%[a]	131,000	US$	30.03.2040		6	0.00
US Treasury Bill 0%	81,898,400	US$	24.08.2023		73,919	6.62
Currency					**(2,199)**	**(0.19)**
Forward currency contracts					**(2,199)**	**(0.19)**
Bought for US$ 16,990,115.40, Sold for TWD 511,692,877.00			12.04.2023		169	0.02
Bought for € 10,962,597.61, Sold for AUD 16,835,403.67			28.04.2023		605	0.05
Bought for € 23,348,523.74, Sold for CAD 34,252,669.57			28.04.2023		116	0.01
Bought for € 74,494,461.22, Sold for £ 65,800,957.60			28.04.2023		(352)	(0.03)
Bought for € 46,798,417.85, Sold for ¥ 6,583,564,144.00			28.04.2023		1,270	0.11
Bought for € 478,388,281.02, Sold for US$ 523,556,228.20			28.04.2023		(2,594)	(0.23)
Bought for ¥ 1,257,559,669.00, Sold for € 8,953,099.31			28.04.2023		(256)	(0.02)
Bought for US$ 66,317,913.83, Sold for € 62,081,445.11			28.04.2023		(1,157)	(0.10)
Portfolio of investments					**1,085,157**	**97.14**
Share class hedging					**(6,509)**	**(0.58)**
Bought for CHF 407,933.59, Sold for € 419,600.94			19.04.2023		(10)	0.00
Bought for € 6,929.20, Sold for CHF 6,789.20			19.04.2023		0	0.00
Bought for € 4,445.29, Sold for SGD 6,410.73			19.04.2023		0	0.00
Bought for € 23,350,574.79, Sold for US$ 25,132,280.82			19.04.2023		249	0.02
Bought for € 618,185.50, Sold for ZAR 12,178,965.98			19.04.2023		(8)	0.00
Bought for SGD 214,954.97, Sold for € 148,801.48			19.04.2023		0	0.00
Bought for US$ 501,933,204.84, Sold for € 468,161,216.70			19.04.2023		(6,808)	(0.61)
Bought for ZAR 192,736,930.73, Sold for € 9,866,897.13			19.04.2023		68	0.01
Total portfolio					**1,078,648**	**96.56**
Net other assets/(liabilities)					38,576	3.44
Net assets					**1,117,224**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	462,423	41.39
Equity portfolios	19,879	1.78
Bond portfolios	109,991	9.85
Debt securities	495,063	44.31
Unrealised gains on forward currency contracts	2,477	0.22
Total Investment assets	**1,089,833**	**97.55**
Investment liabilities		
Unrealised losses on forward currency contracts	(11,185)	(0.99)
Total Investment liabilities	**(11,185)**	**(0.99)**
Total portfolio	**1,078,648**	**96.56**
Net other assets/(liabilities)	**38,576**	**3.44**
Net assets	**1,117,224**	**100.00**

[a] Fair valued.
[b] Suspended.
[c] Crossholding (see note 11).

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures	
	Forward currency contracts €'000	Collateral held as cash €'000
Barclays Bank London	14,655	0
Goldman Sachs International	17,867	0
HSBC Bank Plc	992,316	240
JP Morgan London	238,201	670
Merrill Lynch Pierce Fenner + Smith Inc	12,017	0
National Australia Bank Ltd	76,565	0
State Street Bank and Trust Company	998,591	5,300
State Street Bank and Trust Company, London Branch	120,853	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Financial highlights

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-8.1	+4.9	+0.8	+3.4	07.11.13	16.01.18
Class 'A' Distribution	-8.1	+4.9	+0.8	+3.3	07.11.13	16.01.18
Class 'A Q' Distribution	-8.1	+4.7	+0.7	+1.4	08.05.15	16.01.18
Class 'B' Accumulation	-8.5	+4.4	+0.3	+2.3	11.09.15	16.01.18
Class 'B Q' Distribution	-8.5	+4.2	+0.2	+2.2	11.09.15	16.01.18
Class 'C' Accumulation	-7.3	+5.8	+1.7	+4.1	07.11.13	16.01.18
Class 'C' Distribution	-7.3	+5.8	+1.7	+4.2	07.11.13	16.01.18
Class 'C Q' Distribution	-7.3	+5.6	+1.6	+2.2	08.05.15	16.01.18
Class 'CI' Accumulation	-7.3	+5.9	+1.7	+4.2	07.11.13	16.01.18
Class 'JI' Accumulation	-7.2	+6.0	n/a	-0.1	n/a	13.12.19
Class 'ZI' Distribution	-6.7	+6.5	n/a	+2.1	n/a	08.05.18
Singapore dollar						
Class 'A-H' Accumulation	-6.0	+6.3	+2.4	+4.0	09.10.15	16.01.18
Class 'A-H' Distribution	-6.0	+6.3	+2.4	+4.0	09.10.15	16.01.18
Class 'C-H' Accumulation	-5.2	+7.2	+3.3	+4.8	09.10.15	16.01.18
Class 'C-H' Distribution	-5.2	+7.2	+3.3	+4.8	09.10.15	16.01.18
South African rand						
Class 'A-H F1' Distribution	-3.0	n/a	n/a	-0.2	n/a	23.09.21
Class 'X-H F1' Distribution	-4.0	n/a	n/a	-1.2	n/a	23.09.21
Swiss franc						
Class 'A-H' Accumulation	-8.7	+4.5	+0.5	+2.8	07.11.13	16.01.18
Class 'C-H' Accumulation	-7.9	+5.4	+1.3	+3.6	07.11.13	16.01.18

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A-H' Accumulation	-5.3	+6.6	+2.9	+4.4	09.10.15	16.01.18
Class 'A-H' Distribution	-5.3	+6.7	+3.0	+4.4	09.10.15	16.01.18
Class 'A-H F' Distribution	-5.3	n/a	n/a	+2.2	n/a	19.11.20
Class 'C-H' Accumulation	-4.5	+7.6	+3.9	+5.2	09.10.15	16.01.18
Class 'C-H' Distribution	-4.5	+7.6	+3.9	+5.2	09.10.15	16.01.18
Class 'X-H' Accumulation	-6.3	n/a	n/a	-6.0	n/a	23.11.21
Class 'X-H' Distribution	-6.3	n/a	n/a	+3.2	n/a	24.06.20
Class 'X-H F' Distribution	-6.3	n/a	n/a	+1.1	n/a	19.11.20

[a] Sub-fund performance before the launch of the sub-fund on 16 January 2018 is that of the relevant Merged Share Class of the M&G Income Allocation Fund, which includes UK taxes but excludes entry and exit charges. The M&G Income Allocation Fund is a UK authorised sub-fund which launched on 7 November 2013 and its non-Sterling share classes merged into M&G (Lux) Income Allocation Fund on 16 March 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	18,176,964.722	10.1183	11.0083	10.4498
Class 'A' Distribution	28,373,876.220	8.5382	9.6229	9.4173
Class 'A Q' Distribution	4,342,017.748	8.6072	9.6987	9.4889
Class 'B' Accumulation	1,234,078.711	9.8596	10.7806	10.2850
Class 'B Q' Distribution	3,657,882.667	8.3847	9.4960	9.3376
Class 'C' Accumulation	7,152,988.390	10.5764	11.4091	10.7384
Class 'C' Distribution	5,178,527.633	8.9260	9.9745	9.6778
Class 'C Q' Distribution	3,539.670	8.9897	10.0420	9.7418
Class 'CI' Accumulation	2,582,389.850	10.6006	11.4310	10.7549
Class 'JI' Accumulation	1,213,397.156	9.9742	10.7448	10.0995
Class 'ZI' Distribution	4,600.000	9.4560	10.4930	10.1119
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A-H' Accumulation	5,052.303	10.9730	11.6758	10.9808
Class 'A-H' Distribution	5,057.704	9.2557	10.1987	9.8878
Class 'C-H' Accumulation	5,059.542	11.4703	12.1010	11.2857
Class 'C-H' Distribution	5,066.399	9.6778	10.5696	10.1610
South African rand		**ZAR**	**ZAR**	**ZAR**
Class 'A-H F1' Distribution	201,429.987	122.5582	145.0954	n/a
Class 'X-H F1' Distribution	1,292,788.323	120.6264	144.3467	n/a
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	15,499.196	9.9335	10.8825	10.3561
Class 'C-H' Accumulation	24,076.925	10.3803	11.2758	10.6411

M&G (Lux) Income Allocation Fund

Financial highlights

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	1,516,606.110	11.2838	11.9171	11.2141
Class 'A-H' Distribution	230,077.084	9.5450	10.4406	10.1237
Class 'A-H F' Distribution	768,037.157	84.2188	98.6681	101.5436
Class 'C-H' Accumulation	5,027.145	11.8073	12.3639	11.5336
Class 'C-H' Distribution	5,033.788	9.9624	10.7999	10.3807
Class 'X-H' Accumulation	224,401.945	9.2026	9.8196	n/a
Class 'X-H' Distribution	380,539.412	9.9888	11.0511	10.8404
Class 'X-H F' Distribution	4,723,238.767	82.1081	97.2327	101.1217

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	1,117,224	1,239,091	1,035,120
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**1,117,224**	**1,239,091**	**1,035,120**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.77
Class 'A' Distribution	1.77
Class 'A Q' Distribution	1.77
Class 'B' Accumulation	2.27
Class 'B Q' Distribution	2.27
Class 'C' Accumulation	0.92
Class 'C' Distribution	0.92
Class 'C Q' Distribution	0.92
Class 'CI' Accumulation	0.88
Class 'JI' Accumulation	0.78
Class 'ZI' Distribution	0.21
Singapore dollar	**%**
Class 'A-H' Accumulation	1.79
Class 'A-H' Distribution	1.79
Class 'C-H' Accumulation	0.94
Class 'C-H' Distribution	0.94
South African rand	**%**
Class 'A-H F1' Distribution	1.79
Class 'X-H F1' Distribution	2.79

M&G (Lux) Income Allocation Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Swiss franc	**%**
Class 'A-H' Accumulation	1.79
Class 'C-H' Accumulation	0.94
US dollar	**%**
Class 'A-H' Accumulation	1.79
Class 'A-H' Distribution	1.79
Class 'A-H F' Distribution	1.79
Class 'C-H' Accumulation	0.94
Class 'C-H' Distribution	0.94
Class 'X-H' Accumulation	2.80
Class 'X-H' Distribution	2.79
Class 'X-H F' Distribution	2.79

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review was a volatile one for financial markets, as economies grappled with high inflation (exacerbated by the war in Ukraine), rising interest rates (although rates remained very low in Japan) and recession fears. Despite the weak growth seen in most developed economies, including Japan, Japanese companies have been able to deliver solid earnings growth over the past year, partly due to the weakness of the yen.

Against this background the fund recorded a positive return. Outperformance was driven by stock selection, with holdings in Socionext, Sanrio and Kintetsu World Express adding value.

Socionext is a 'system-on-a-chip' design company. Its growth pathway plays to Japan's strength in the auto sector, where we believe revenues could grow in the high teens annually. We believe the company should also be a beneficiary of the increase in semiconductor content per car, partly to do with electrification.

Sanrio is a company we have extensively engaged with, which owns the intellectual property for the Hello Kitty franchise. Over the past three years, the company's share price has gone up significantly, which in our opinion demonstrates the power of self-help in a company that has been undervalued for a long time. We continue to engage with the management, with the aim of adding value.

Shares in logistics company Kintetsu rallied sharply following news of a proposed takeover by its largest shareholder.

Conversely, holdings in Ree Automotive, machinery company Minebea Mitsumi and financial services conglomerate Orix detracted.

We believe Ree sold off alongside other growth names. We remain holders and believe Ree has been the victim of indiscriminate selling of early-stage companies that have not yet reached profitability. Minebea offers some of the strongest growth in the sector and trades at a very attractive valuation, in our view.

Investment activity

We aim to identify significant dislocations between the price and what we consider to be the value of a stock that we can exploit and where we believe we have better insight than our peers. Our edge does not come from better forecasting, but rather from what we consider to be higher-quality pricing of risk. In addition, we actively engage with companies we invest in to add value in a range of areas. We believe this differentiates us as investment professionals and can lead us to unique investment opportunities.

Early in the review period, we closed a position in Fast Retailing and began a holding in Yamaha Motor. We believe Yamaha's strength lies in it motorcycle division and this business is likely to benefit from the switch to electric motorcycles.

We also exited positions in construction group Haseko and Isuzu Motors, using the profits to add Fuji Film, semiconductor specialist Tokyo Electron and advertising agency Dentsu, all of which we feel look globally relevant and attractively priced.

We also began positions in Ushio and Socionext. Mid-cap Ushio manufactures specialised lighting equipment used in three areas: industrial processes, visual imaging and life sciences. Ushio is an operationally well-run company that needs help to optimise its heavily over-capitalised balance sheet. We are actively engaging with the company.

In the latter stages of the review period, we established new positions in Oriental Land (owner of Tokyo Disneyland), newly-listed local airline Skymark and Mitsubishi Estate.

We believe the re-opening of the economy post-COVID-19 provides a strong tailwind for Oriental Land's profits and feel the market has missed a meaningful increase in gate-entry prices.

Skymark is a good business, in our view, and has a niche franchise, but it suffered because management lost discipline in the past. We believe the management

Investment review

have learnt from their mistake. The company's shares were very attractively priced at the time of its listing, in our view, given the demand for travel in Japan is back.

With a strong balance sheet, we believe Mitsubishi Estate is in a good position in the longer term to increase dividends to shareholders and continue to reinvest in its business. Domestic hotel and retail operations are also likely to benefit from an inflationary environment in Japan.

Outlook

Earnings in 2022 were favourable in Japan, albeit with much of the growth having been fuelled by a weak yen. However, the big picture is clear – in our view, Japan has ended its affair with structural deflation. This will likely provide a supportive environment to nominal GDP and equities going forward. We believe policy normalisation (the Bank of Japan finally announced a change in its Yield Curve Control policy in December 2022) reflects healthier economic fundamentals and should be celebrated.

We expect more evidence of self-help in 2023 and another year of solid underlying profit growth. The corporate change agenda bodes well for stockpickers like ourselves, while the more constructive outlook for prices and wages adds to our long-term optimism.

Carl Vine
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 9 November 2022, the sub-fund was 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. From 10 November 2022, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value ¥'000	Market value ¥'000	% of net assets
Equities					**13,355,055**	**98.05**
Chemicals					**401,711**	**2.95**
Showa Denko	123,400	¥			269,055	1.98
Toray Industries	175,000	¥			132,656	0.97
Aerospace & defense						
Kawasaki Heavy Industries	43,000	¥			**124,854**	**0.92**
Construction & engineering						
Taisei	44,500	¥			**182,527**	**1.34**
Electrical equipment						
Ushio	127,700	¥			**213,212**	**1.57**
Industrial conglomerates						
Hitachi	68,700	¥			**498,836**	**3.66**
Machinery						
Hitachi Zosen	317,600	¥			**276,370**	**2.03**
Trading companies & distributors						
Mitsui	118,400	¥			**488,230**	**3.58**
Professional services					**609,119**	**4.47**
BeNext-Yumeshin Group	170,200	¥			327,539	2.40
Recruit Holdings	77,000	¥			281,580	2.07
Airlines						
Skymark Airlines	109,418	¥			**130,220**	**0.96**
Road & rail						
Keisei Electric Railway	53,500	¥			**218,657**	**1.60**
Transportation infrastructure						
Kamigumi	72,000	¥			**200,644**	**1.47**
Auto components					**345,422**	**2.54**
REE Automotive	281,285	US$			12,914	0.10
Toyota Industries	45,100	¥			332,508	2.44
Automobiles					**1,077,052**	**7.91**
Honda Motor	124,800	¥			439,133	3.22
Toyota Motor	226,100	¥			425,952	3.13
Yamaha Motor	61,100	¥			211,967	1.56

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value ¥'000	Market value ¥'000	% of net assets
Equities (continued)						
Household durables					**1,111,569**	**8.16**
Nikon	273,100	¥			370,731	2.72
Sony Group	39,400	¥			472,312	3.47
Sumitomo Forestry	102,500	¥			268,526	1.97
Hotels, restaurants & leisure						
Oriental Land	30,000	¥			**136,632**	**1.00**
Specialty retail						
Sanrio	52,800	¥			**313,381**	**2.30**
Food & staples retailing						
Seven & i Holdings	119,800	¥			**717,215**	**5.27**
Beverages						
Kirin Holdings	162,100	¥			**340,074**	**2.50**
Household products						
Earth	34,600	¥			**164,339**	**1.21**
Biotechnology						
PeptiDream	111,200	¥			**209,497**	**1.54**
Pharmaceuticals					**529,409**	**3.89**
Astellas Pharma	140,200	¥			264,196	1.94
Takeda Pharmaceutical	60,900	¥			265,213	1.95
Banks						
Mitsubishi UFJ Financial Group	785,900	¥			**667,199**	**4.90**
Diversified financial services						
ORIX	215,000	¥			**469,067**	**3.44**
Consumer finance						
Credit Saison	227,600	¥			**383,204**	**2.81**
Capital markets						
Sparx Group	171,540	¥			**248,530**	**1.82**
IT services					**627,335**	**4.61**
BIPROGY	75,400	¥			245,653	1.80
NEC	49,800	¥			254,143	1.87
NTT Data	73,500	¥			127,539	0.94

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value ¥'000	Market value ¥'000	% of net assets
Equities (continued)						
Technology hardware, storage & peripherals						
FUJIFILM Holdings	26,000	¥			**174,490**	**1.28**
Electronic equipment, instruments & components					**291,706**	**2.14**
Hamamatsu Photonics	21,000	¥			149,655	1.10
Keyence	2,200	¥			142,051	1.04
Semiconductors & semiconductor equipment					**805,636**	**5.91**
Renesas Electronics	145,400	¥			278,812	2.05
Rohm	25,600	¥			281,833	2.07
Socionext	9,810	¥			95,687	0.70
Tokyo Electron	9,300	¥			149,304	1.09
Diversified telecommunication services						
Nippon Telegraph & Telephone	96,400	¥			**382,384**	**2.81**
Wireless telecommunication services						
SoftBank Group	25,700	¥			**133,612**	**0.98**
Media						
Dentsu	60,200	¥			**280,525**	**2.06**
Interactive Media & Services						
Dip	62,000	¥			**219,605**	**1.61**
Real estate management & development					**382,792**	**2.81**
Mitsubishi Estate	100,000	¥			157,758	1.16
Mitsui Fudosan	90,400	¥			225,034	1.65
Currency					**10,609**	**0.08**
Forward currency contracts					**10,609**	**0.08**
Bought for CHF 65,868.34, Sold for ¥ 9,586,161.00			19.04.2023		(21)	0.00
Bought for € 3,260,936.35, Sold for ¥ 461,263,341.00			19.04.2023		10,688	0.08
Bought for ¥ 370,828.00, Sold for CHF 2,534.56			19.04.2023		2	0.00
Bought for ¥ 24,917,244.00, Sold for € 174,623.37			19.04.2023		(356)	0.00
Bought for ¥ 1,627,963.00, Sold for US$ 12,198.42			19.04.2023		6	0.00

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value ¥'000	Market value ¥'000	% of net assets
Currency (continued)						
Forward currency contracts (continued)						
Bought for US$ 268,757.00, Sold for ¥ 35,464,597.00			19.04.2023		290	0.00
Portfolio of investments					**13,365,664**	**98.13**
Total portfolio					**13,365,664**	**98.13**
Net other assets/(liabilities)					254,761	1.87
Net assets					**13,620,425**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	13,355,055	98.05
Unrealised gains on forward currency contracts	10,986	0.08
Total Investment assets	**13,366,041**	**98.13**
Investment liabilities		
Unrealised losses on forward currency contracts	(377)	0.00
Total Investment liabilities	**(377)**	**0.00**
Total portfolio	**13,365,664**	**98.13**
Net other assets/(liabilities)	**254,761**	**1.87**
Net assets	**13,620,425**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts ¥'000
State Street Bank and Trust Company	1,078,547

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	+3.5	+14.9	+3.7	+3.7	28.11.01	26.10.18
Class 'A-H' Accumulation	+11.4	+21.9	n/a	+6.5	n/a	06.11.18
Class 'C' Accumulation	+4.3	+15.8	+4.4	+4.4	28.11.01	26.10.18
Class 'C-H' Accumulation	+12.1	+22.7	n/a	+7.2	n/a	06.11.18
Class 'CI' Accumulation	+4.4	+15.8	+4.5	+4.4	28.11.01	06.11.18
Class 'LI' Accumulation	n/a	n/a	n/a	+2.0	n/a	22.03.23
Class 'LI' Distribution	n/a	n/a	n/a	+8.6	n/a	16.06.22
Japanese yen						
Class 'A' Accumulation	+11.1	+22.7	+5.9	+5.1	28.11.01	06.11.18
Class 'C' Accumulation	+12.0	+23.6	+6.7	+5.8	28.11.01	06.11.18
Class 'CI' Accumulation	+12.0	+23.7	n/a	+13.6	n/a	28.05.19
Class 'CI' Distribution	+12.0	+23.7	n/a	+13.6	n/a	28.05.19

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Sterling						
Class 'C' Accumulation	+8.4	+15.4	n/a	+6.8	n/a	05.07.19
Class 'C' Distribution	+8.4	+15.4	n/a	+6.8	n/a	05.07.19
Class 'CI' Accumulation	+8.4	+15.5	n/a	+6.9	n/a	05.07.19
Class 'CI' Distribution	+8.5	+15.5	n/a	+6.9	n/a	05.07.19
Class 'LI' Distribution	n/a	n/a	n/a	+10.8	n/a	16.06.22
Swiss franc						
Class 'A-H' Accumulation	+10.9	+21.7	n/a	+6.3	n/a	06.11.18
Class 'C-H' Accumulation	+11.8	+22.6	n/a	+7.1	n/a	06.11.18
US dollar						
Class 'A' Accumulation	+1.4	+14.6	+1.1	+4.6	09.10.15	26.10.18
Class 'A-H' Accumulation	+14.6	+23.8	n/a	+8.5	n/a	06.11.18
Class 'C' Accumulation	+2.2	+15.5	+1.8	+5.4	09.10.15	26.10.18
Class 'C-H' Accumulation	+15.3	+24.7	n/a	+9.2	n/a	06.11.18
Class 'CI' Accumulation	+2.2	+15.5	+1.9	+5.4	09.10.15	06.11.18
Class 'LI' Distribution	n/a	n/a	n/a	+13.5	n/a	16.06.22

[a] Sub-fund performance before the launch of the sub-fund on 26 October 2018 is that of the relevant Merged Share Class of the M&G Japan Fund, which includes UK taxes but excludes entry and exit charges. The M&G Japan Fund is a UK authorised sub-fund which launched on 6 April 1971 and its non-Sterling share classes merged into M&G (Lux) Japan Fund on 26 October 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	774,929.845	21.5858	20.8487	20.1309
Class 'A-H' Accumulation	49,081.289	13.1652	11.8159	11.1132
Class 'C' Accumulation	948,035.693	25.1651	24.1239	23.1192
Class 'C-H' Accumulation	183,456.798	13.5814	12.1176	11.3235
Class 'CI' Accumulation	1,080,918.141	12.5922	12.0666	11.5595
Class 'LI' Accumulation	4,600.000	10.1974	n/a	n/a
Class 'LI' Distribution	1,244,600.000	10.8579	n/a	n/a
Japanese yen		**¥**	**¥**	**¥**
Class 'A' Accumulation	1,300.000	1,365.7979	1,228.9320	1,141.2724
Class 'C' Accumulation	1,300.000	1,411.5645	1,260.6065	1,161.9599
Class 'CI' Accumulation	6,440.000	1,630.9686	1,455.9577	1,341.5037
Class 'CI' Distribution	6,440.050	1,514.9542	1,383.4522	1,299.0793
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	130,559.295	12.7891	11.8002	11.4058
Class 'C' Distribution	2,600.000	11.9099	11.2400	11.0723
Class 'CI' Accumulation	81,971.201	12.8098	11.8133	11.4139
Class 'CI' Distribution	427,516.405	11.9277	11.2526	11.0801
Class 'LI' Distribution	9,551.033	11.0824	n/a	n/a
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,420.000	13.0911	11.8015	11.1051
Class 'C-H' Accumulation	2,425.000	13.5358	12.1072	11.3064

M&G (Lux) Japan Fund

Financial highlights

	Shares outstanding as at 31.03.23	31.03.23	NAV per share 31.03.22	31.03.21
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	23,092.626	14.0208	13.8223	14.1157
Class 'A-H' Accumulation	2,619.000	14.2907	12.4677	11.6253
Class 'C' Accumulation	231,494.673	14.8214	14.5061	14.7030
Class 'C-H' Accumulation	15,469.365	14.7372	12.7776	11.8304
Class 'CI' Accumulation	505,483.298	12.0001	11.7371	11.8922
Class 'LI' Distribution	432,925.000	11.3473	n/a	n/a

NAV at sub-fund level	31.03.23 ¥'000	31.03.22 ¥'000	31.03.21 ¥'000
Net assets	13,620,425	9,928,227	9,135,849
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**13,620,425**	**9,928,227**	**9,135,849**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.70
Class 'A-H' Accumulation	1.73
Class 'C' Accumulation	0.95
Class 'C-H' Accumulation	0.99
Class 'CI' Accumulation	0.91
Class 'LI' Accumulation	0.53
Class 'LI' Distribution	0.51
Japanese yen	**%**
Class 'A' Accumulation	1.70
Class 'C' Accumulation	0.95
Class 'CI' Accumulation	0.91
Class 'CI' Distribution	0.91
Sterling	**%**
Class 'C' Accumulation	0.98
Class 'C' Distribution	0.95
Class 'CI' Accumulation	0.91
Class 'CI' Distribution	0.91
Class 'LI' Distribution	0.51
Swiss franc	**%**
Class 'A-H' Accumulation	1.72
Class 'C-H' Accumulation	0.97

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
US dollar	**%**
Class 'A' Accumulation	1.70
Class 'A-H' Accumulation	1.72
Class 'C' Accumulation	0.96
Class 'C-H' Accumulation	0.99
Class 'CI' Accumulation	0.91
Class 'LI' Distribution	0.53

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review was a volatile one for financial markets, as economies grappled with high inflation (exacerbated by the war in Ukraine), rising interest rates (although rates remained very low in Japan) and recession fears. Despite the weak growth seen in most developed economies, including Japan, Japanese companies have been able to deliver solid earnings growth over the past year, partly due to the weakness of the yen.

Against this background the sub-fund recorded a positive return. Outperformance was driven mainly by stock selection, with key contributors including stockmarket newcomer Socionext, Sanrio and Namura Shipbuilding.

Socionext is a 'system-on-a-chip' design company. Its growth pathway plays to Japan's strength in the auto sector, where we believe revenues could grow in the high teens annually. We believe the company should also be a beneficiary of the increase in semiconductor content per car, partly to do with electrification.

Sanrio is a company we have extensively engaged with and owns the intellectual property for the Hello Kitty franchise. Over the past three years, the company's share price has gone up significantly, which in our opinion demonstrates the power of self-help in a company that has been undervalued for a long time. We continue to engage with the management, with the aim of adding value.

We expected Namura, a little-known ship builder, would benefit from rising orders and this has indeed turned out to be the case, with the company having a very strong order book.

Conversely, Ree Automotive, Minebea Mitsumi and Earth, a company with a dominant position in the insecticide market in Japan, held back relative returns.

We believe Ree sold off alongside other growth names. We remain holders and believe Ree has been the victim of indiscriminate selling of early-stage companies that have not yet reached profitability. Minebea offers some of the strongest growth in the sector and trades at a very attractive valuation in our view.

Investment activity

We aim to identify significant dislocations between the price and value of a stock that we can exploit and where we believe we have better insight than our peers. Our edge does not come from better forecasting, but rather from what we consider to be higher-quality pricing of risk. In addition, we actively engage with companies we invest in to add value in a range of areas. We believe this differentiates us as investment professionals and can lead us to unique investment opportunities.

Early in the review period we exited a position in Kintetsu World Express and closed positions in Perseus Proteomics, Nomura Real Estate and Tokyo Steel. The proceeds were recycled into opportunities where we see better risk/reward characteristics, including Ushio, Yamaha Motor and Rohm.

We also began a position in NTT Data and closed a position in housebuilder Haseko. Based on our assessment, there is considerable upside for NTT Data's shares as a result of recent M&A activity. We have engaged with Haseko over several years, encouraging management to improve shareholder returns and this has been achieved.

Advertising agency Dentsu and newly listed-airline Skymark also joined the portfolio. Having watched the transformation that has happened to Dentsu over the past two years, we have been forced to reconsider the risk-reward characteristics of the company, in view of significant improvements in both governance and corporate strategy.

Skymark is a good business, in our view, and has a niche franchise, but the business suffered because management lost discipline in the past, which we believe it has learned from. Its shares were very attractively priced at the time of its listing, in our view, given the demand for travel in Japan is back.

Investment review

We added globally relevant businesses Toray (a leading materials company set to benefit from Chinese reopening), Toyo Suisan (a global food business whose growth and profitability look underestimated), and under-priced, in our opinion, bicycle parts manufacturer Shimano.

We also added Megachips, a 'fabless' semiconductor manufacturer. This is an area of the sector that is often overlooked, in our view, and one where we believe we have a deep understanding. We think the market is underestimating Megachips' growth potential.

Outlook

Earnings in 2022 were favourable in Japan, albeit with much of the growth having been fuelled by a weak yen. However, the big picture is clear – in our view, Japan has exited its affair with structural deflation. This will likely provide a supportive environment to nominal GDP and equities going forward. We believe policy normalisation (the Bank of Japan finally announced a change in its Yield Curve Control policy in December 2022) reflects healthier economic fundamentals and should be celebrated.

We expect more evidence of self-help in 2023 and another year of solid underlying profit growth. The corporate change agenda bodes well for stockpickers like ourselves, while the more constructive outlook for prices and wages adds to our long-term optimism.

Carl Vine
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 9 November 2022, the sub-fund was 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. From 10 November 2022, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value ¥'000	Market value ¥'000	% of net assets
Equities					**6,928,790**	**97.48**
Software & computer services					**335,685**	**4.72**
BIPROGY	45,800	¥			149,217	2.10
Hamamatsu Photonics	17,400	¥			124,000	1.74
NTT Data	36,000	¥			62,468	0.88
Technology hardware & equipment					**679,153**	**9.55**
Megachips	26,100	¥			85,621	1.20
NEC	29,500	¥			150,546	2.12
Rohm	15,000	¥			165,136	2.32
Socionext	5,053	¥			49,287	0.69
Tazmo	105,200	¥			228,563	3.22
Pharmaceuticals & biotechnology						
PeptiDream	54,100	¥			**101,923**	**1.43**
Finance & credit services					**334,756**	**4.71**
Credit Saison	138,700	¥			233,525	3.29
ORIX	46,400	¥			101,231	1.42
Investment banking & brokerage services						
Sparx Group	103,900	¥			**150,532**	**2.12**
Life insurance						
T&D Holdings	61,000	¥			**100,222**	**1.41**
Automobiles & parts					**776,304**	**10.92**
Honda Motor	45,300	¥			159,397	2.24
KYB	62,000	¥			250,421	3.52
REE Automotive	121,749	US$			5,589	0.08
Toyota Industries	23,400	¥			172,521	2.43
Yamaha Motor	54,300	¥			188,376	2.65
Household goods & home construction					**456,414**	**6.42**
Sanrio	30,800	¥			182,806	2.57
ST	42,200	¥			65,860	0.93
Sumitomo Forestry	79,300	¥			207,748	2.92
Leisure goods					**354,954**	**4.99**
Nikon	167,000	¥			226,701	3.19
Shimano	5,600	¥			128,253	1.80

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value ¥'000	Market value ¥'000	% of net assets
Equities (continued)						
Personal goods						
Axxzia	154,200	¥			**176,597**	**2.48**
Media					**277,318**	**3.90**
Dentsu	32,300	¥			150,514	2.12
Dip	35,800	¥			126,804	1.78
Travel & leisure					**209,357**	**2.95**
Keisei Electric Railway	19,800	¥			80,923	1.14
Skymark Airlines	107,917	¥			128,434	1.81
Beverages						
Kirin Holdings	56,500	¥			**118,533**	**1.67**
Food producers					**158,438**	**2.23**
Toyo Suisan Kaisha	13,800	¥			76,984	1.08
Yukiguni Maitake	81,075	¥			81,454	1.15
Construction & materials						
Hitachi Zosen	180,600	¥			**157,155**	**2.21**
Electronic & electrical equipment					**479,449**	**6.75**
Nippon Pillar Packing	59,300	¥			222,397	3.13
QD Laser	119,600	¥			66,045	0.93
Ushio	114,400	¥			191,007	2.69
General industrials					**262,688**	**3.70**
Central Security Patrols	42,100	¥			113,941	1.61
Noritsu Koki	66,300	¥			148,747	2.09
Industrial engineering					**286,861**	**4.04**
Kawasaki Heavy Industries	21,900	¥			63,588	0.90
Nabtesco	26,400	¥			85,828	1.21
Nippon Thompson	235,900	¥			137,445	1.93
Industrial support services					**346,639**	**4.88**
BeNext-Yumeshin Group	120,700	¥			232,279	3.27
Yamato Holdings	22,700	¥			51,537	0.73
YCP Holdings Global	80,352	¥			62,823	0.88
Industrial transportation					**432,734**	**6.09**
Kamigumi	39,800	¥			110,912	1.56

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value ¥'000	Market value ¥'000	% of net assets
Equities (continued)						
Industrial transportation (continued)						
Nippon Signal Company	160,400	¥			170,850	2.40
Sakai Moving Service	32,700	¥			150,972	2.13
Chemicals					**733,078**	**10.31**
Earth	25,500	¥			121,117	1.70
Showa Denko	52,200	¥			113,814	1.60
Sumitomo Bakelite	41,700	¥			214,558	3.02
T Hasegawa	54,600	¥			162,531	2.29
Toray Industries	159,700	¥			121,058	1.70
Currency					**6,127**	**0.09**
Forward currency contracts					**6,127**	**0.09**
Bought for CHF 1,993,119.25, Sold for ¥ 290,071,684.00			19.04.2023		(643)	(0.01)
Bought for € 2,095,092.17, Sold for ¥ 296,773,214.00			19.04.2023		6,446	0.09
Bought for ¥ 214,347.00, Sold for CHF 1,501.71			19.04.2023		(4)	0.00
Bought for ¥ 13,726,269.00, Sold for € 96,836.36			19.04.2023		(288)	0.00
Bought for ¥ 2,096,833.00, Sold for US$ 15,771.78			19.04.2023		(1)	0.00
Bought for US$ 575,551.52, Sold for ¥ 75,952,150.00			19.04.2023		617	0.01
Portfolio of investments					**6,934,917**	**97.57**
Total portfolio					**6,934,917**	**97.57**
Net other assets/(liabilities)					172,859	2.43
Net assets					**7,107,776**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	6,928,790	97.48
Unrealised gains on forward currency contracts	7,063	0.10
Total Investment assets	**6,935,853**	**97.58**
Investment liabilities		
Unrealised losses on forward currency contracts	(936)	(0.01)
Total Investment liabilities	**(936)**	**(0.01)**
Total portfolio	**6,934,917**	**97.57**
Net other assets/(liabilities)	**172,859**	**2.43**
Net assets	**7,107,776**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures	
	Forward currency contracts ¥'000	Collateral held as cash ¥'000
State Street Bank and Trust Company	1,365,196	7,220

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	+10.7	+23.3	+6.4	+7.0	28.11.01	26.10.18
Class 'A-H' Accumulation	+19.3	+30.9	n/a	+10.1	n/a	06.11.18
Class 'C' Accumulation	+11.5	+24.2	+7.2	+7.8	28.11.01	26.10.18
Class 'C-H' Accumulation	+19.9	+31.7	n/a	+10.8	n/a	06.11.18
Class 'CI' Accumulation	+11.6	+24.3	+7.2	+7.8	28.11.01	06.11.18
Japanese yen						
Class 'A' Accumulation	+18.8	+31.7	+8.6	+8.5	28.11.01	06.11.18
Class 'C' Accumulation	+19.7	+32.7	+9.4	+9.3	28.11.01	06.11.18
Class 'CI' Accumulation	+19.8	+32.7	n/a	+18.9	n/a	28.05.19
Class 'CI' Distribution	+19.8	+32.8	n/a	+18.9	n/a	28.05.19
Swiss franc						
Class 'A-H' Accumulation	+18.4	+30.6	n/a	+9.9	n/a	06.11.18
Class 'C-H' Accumulation	+19.4	+31.6	n/a	+10.8	n/a	06.11.18

M&G (Lux) Japan Smaller Companies Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A' Accumulation	+8.5	+23.0	+3.7	+8.0	09.10.15	26.10.18
Class 'A-H' Accumulation	+22.6	+33.0	n/a	+12.2	n/a	06.11.18
Class 'C' Accumulation	+9.3	+23.9	+4.5	+8.8	09.10.15	26.10.18
Class 'C-H' Accumulation	+23.4	+34.0	n/a	+13.1	n/a	06.11.18
Class 'CI' Accumulation	+9.3	+24.0	+4.5	+8.8	09.10.15	06.11.18

[a] Fund performance before the launch of the fund on 26 October 2018 is that of the relevant Merged Share Class of the M&G Japan Smaller Companies Fund, which includes UK taxes but excludes entry and exit charges. The M&G Japan Smaller Companies Fund is a UK authorised fund which launched on 15 May 1984 and its non-Sterling share classes merged into M&G (Lux) Japan Smaller Companies Fund on 26 October 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	656,876.086	42.5035	38.3918	38.5684
Class 'A-H' Accumulation	104,759.323	15.2926	12.8191	12.5320
Class 'C' Accumulation	148,735.653	49.8231	44.6727	44.5445
Class 'C-H' Accumulation	25,426.649	15.7261	13.1133	12.7546
Class 'CI' Accumulation	146,014.224	14.6149	13.0973	13.0543
Japanese yen		**¥**	**¥**	**¥**
Class 'A' Accumulation	1,300.000	1,585.1487	1,333.8351	1,288.7741
Class 'C' Accumulation	1,300.000	1,638.4378	1,368.3704	1,312.1531
Class 'CI' Accumulation	6,440.100	1,944.9255	1,623.7014	1,556.5438
Class 'CI' Distribution	6,440.150	1,826.4320	1,558.1078	1,514.2153
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,520.000	15.1668	12.8064	12.5162
Class 'C-H' Accumulation	127,425.000	15.6907	13.1436	12.7499
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	24,126.980	17.7326	16.3483	17.3708
Class 'A-H' Accumulation	29,434.099	16.6209	13.5540	13.1238
Class 'C' Accumulation	368,504.518	18.7473	17.1554	18.0956
Class 'C-H' Accumulation	4,215.000	17.1759	13.9207	13.3650
Class 'CI' Accumulation	5,596.000	13.9280	12.7399	13.4299

NAV at sub-fund level	31.03.23 ¥'000	31.03.22 ¥'000	31.03.21 ¥'000
Net assets	7,107,776	4,183,347	4,999,763
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**7,107,776**	**4,183,347**	**4,999,763**

M&G (Lux) Japan Smaller Companies Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.70
Class 'A-H' Accumulation	1.73
Class 'C' Accumulation	0.95
Class 'C-H' Accumulation	0.97
Class 'CI' Accumulation	0.91
Japanese yen	**%**
Class 'A' Accumulation	1.70
Class 'C' Accumulation	0.95
Class 'CI' Accumulation	0.91
Class 'CI' Distribution	0.91
Swiss franc	**%**
Class 'A-H' Accumulation	1.72
Class 'C-H' Accumulation	0.99
US dollar	**%**
Class 'A' Accumulation	1.70
Class 'A-H' Accumulation	1.74
Class 'C' Accumulation	0.95
Class 'C-H' Accumulation	0.96
Class 'CI' Accumulation	0.91

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review saw both bonds (fixed income securities) and equities (company shares) deliver negative returns. It was a challenging period for most asset classes, as surging inflation and higher interest rates dampened investor sentiment.

Although there was a continued recovery in the global economy following the COVID-19 pandemic, recession fears emerged as China's zero COVID-19 policy and Russia's war on Ukraine weighed on economic activity. Towards the end of the period, stresses in the banking industry also rattled financial markets.

Against this challenging background, the sub-fund delivered a negative total return across all of its share classes.

Within fixed income, long positions in government bonds and corporate bonds delivered a negative return. The large increase in interest rates resulted in prices of bonds declining sharply, particularly in longer-dated bonds. However, long positions in local currency emerging market bonds were more resilient.

Losses in equities were led by our North American portfolio, in particular the sub-fund's long exposure to US financial companies. The US banking crisis in March had resulted in heightened volatility in banking and finance stocks. Nevertheless, the sub-fund's holdings in European equities were more resilient.

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.

Investment activities

Early in the review period, following falls in stockmarkets, we increased the sub-fund's equity exposure, by reducing the size of its short position in the S&P 500 index, as well as adding some exposure to UK and German equities. (A short position is designed to benefit when the price of an underlying asset falls.) The short position in the US stockmarket was then increased in August, following a strong rally.

In the autumn, we made several portfolio changes in response to significant market price movements. These included increasing cash levels, to provide scope to respond to future market volatility. We also capitalised on volatility in UK government bond markets (caused by the UK mini-budget) by adding exposure and, in some cases, subsequently selling these positions within the space of a few days, after their prices initially dropped and then recovered at an almost unheard-of pace.

Later in the autumn, after a major sell-off of longer-dated US Treasury bonds, which steepened the yield curve (the yield curve is a graph which shows the yield on bonds plotted against the length of time until they mature), we reduced exposure to medium-term government bonds (bonds which mature in five to 10 years) and switched into 30-year bonds, as it was felt the latter had become more attractive and could potentially offer diversification. We then took advantage of the subsequent rally in long-dated US Treasuries to scale back exposure.

Early in 2023, we reduced the sub-fund's position in European, US and UK banks following strong performance (a move which proved timely) and we increased the sub-fund's exposure to European government bonds, as we believed their value was becoming more attractive. Elsewhere, we sold some of the sub-fund's long-dated US government bonds and reinvested in intermediate-term (between five and 10 years) US Treasuries.

We also introduced a foreign currency carry trade, increasing exposure to higher-yielding emerging market bonds, while trimming exposure to developed market bonds. We also reduced the sub-fund's equity exposure. Finally, following the steep fall in banking stocks in March we increased the sub-fund's exposure to what we consider to be quality banks modestly.

Outlook

Overall, the strategy remains cautiously positioned so as to respond to further elevated volatility, should it emerge. Changing perceptions of whether or not economies can navigate the current conditions will continue to drive markets, in our view.

Investment review

We continue to favour a balance of equities, with fixed income for diversification. The sub-fund remains liquid, ready to take advantage of opportunities where we see behavioural inconsistencies between asset prices and fundamentals.

Craig Moran
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-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.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities					**61,502**	**53.13**
Equity portfolios					**61,502**	**53.13**
M&G (Lux) Dynamic Allocation Fund Euro Class 'C' (Accumulation)[a]	1,570,416	€			16,555	14.30
M&G (Lux) Episode Macro Fund Euro Class 'S-H' (Accumulation)[a]	1,023,331	€			16,571	14.31
M&G (Lux) Global Dividend Fund Euro Class 'C' (Distribution)[a]	564,868	€			7,197	6.22
M&G (Lux) Global Target Return Fund Euro Class 'CI' (Accumulation)[a]	424,604	€			4,802	4.15
M&G (Lux) Income Allocation Fund Euro Class 'C' (Distribution)[a]	1,839,801	€			16,377	14.15
Fixed income					**53,176**	**45.94**
Bond portfolios					**53,176**	**45.94**
M&G (Lux) Absolute Return Bond Fund Euro Class 'C' (Distribution)[a]	493,441	€			4,466	3.86
M&G (Lux) Emerging Markets Bond Fund Euro Class 'C-H' (Distribution)[a]	713,695	€			5,198	4.49
M&G (Lux) Emerging Markets Hard Currency Bond Fund Euro Class 'C-H' (Distribution)[a]	937,059	€			5,851	5.05
M&G (Lux) Global Convertibles Fund Euro Class 'C-H' (Distribution)[a]	178,547	€			2,341	2.02
M&G (Lux) Global Corporate Bond Fund Euro Class 'C-H' (Distribution)[a]	247,268	€			2,309	2.00
M&G (Lux) Global High Yield Bond Fund Euro Class 'C-H' (Distribution)[a]	718,223	€			6,764	5.84
M&G (Lux) Optimal Income Fund Euro Class 'C' (Distribution)[a]	1,351,452	€			11,909	10.29
M&G (Lux) Sustainable Allocation Fund Euro Class 'C' (Accumulation)[a]	1,063,397	€			12,045	10.41
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund Euro Class 'CI-H' (Accumulation)[a]	300,000	€			2,293	1.98
Portfolio of investments					**114,678**	**99.07**
Total portfolio					**114,678**	**99.07**
Net other assets/(liabilities)					1,078	0.93
Net assets					**115,756**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity portfolios	61,502	53.13
Bond portfolios	53,176	45.94
Total Investment assets	**114,678**	**99.07**
Total portfolio	**114,678**	**99.07**
Net other assets/(liabilities)	**1,078**	**0.93**
Net assets	**115,756**	**100.00**

[a] Crossholding (see note 11).

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'P' Accumulation	-3.0	+5.2	+0.6	+0.3	14.12.17
Class 'P' Distribution	-3.0	+5.2	+0.6	+0.3	14.12.17

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'P' Accumulation	2,937,613.040	10.1771	10.4962	10.3549
Class 'P' Distribution	9,626,020.754	8.9196	9.4582	9.5739

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	115,756	130,212	140,153
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**115,756**	**130,212**	**140,153**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'P' Accumulation	1.70
Class 'P' Distribution	1.70

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The sub-fund underperformed the S&P 500 Net Return Index, with the shortfall influenced by market timing differences. The sub-fund, which is priced at 1pm in Luxembourg, did not include the gains in North America on the last trading day in March when the S&P 500 Index rose 1.4%.

Stock selection added value, with the strongest contribution from technology. Broadcom led the gains in semiconductor stocks.

Mastercard outperformed in digital payments. Fidelity National Information Services (FIS), by contrast, underperformed.

Merck delivered strong gains in a resilient healthcare sector, while Air Products and Chemicals rose in materials.

VF Corp declined in consumer discretionary against a backdrop of tough trading conditions, while First Republic Bank fell in financials. First Republic was rescued by an injection of capital from larger banks after the regional bank became the focus of speculation about the risk of potential failure. The sub-fund remains underweight relative to the benchmark in banks.

Investment activities

We made 11 new purchases and 12 complete sales – a level of turnover consistent with our typical investment timeframe of three to five years. The number of holdings declined to 42.

The quality component of the sub-fund increased with the new purchases of Costco Wholesale (consumer staples), Motorola Solutions (technology), Zoetis (healthcare), Arthur J Gallagher (financials), Rexford Industrial Realty (real estate) and Accenture (technology).

WW Grainger (industrials) and Vulcan Materials (materials) were bought and sold during the review period after a strong run.

First Republic Bank (financials), Schlumberger (energy) and Pool Corp (consumer discretionary) were the other new holdings established during the review period.

We divested Broadridge, ADP and FIS in technology, while Caterpillar and Carrier Global provided a source of cash in industrials. The holding in TransUnion was consolidated into its peer Equifax. We exited Agilent Technologies and Abbott Labs in healthcare, while Crown Castle and Charles Schwab provided a source of cash in real estate and financials, respectively.

Outlook

The threat of a recession is real and requires careful consideration, but we are encouraged by the investment opportunities available to us in the current climate. We have been increasing exposure to the 'quality' segment of the portfolio without having to overpay for the privilege. We remain resolute in our belief that company fundamentals drive share prices over the long run, and remain focused in our application of a valuation discipline.

The savage fall in prices of growth stocks in 2022 underscores the importance of valuation. Speculative areas of the market have seen their unrealistic expectations reined back, but we believe the indiscriminate nature of the sell-off is creating attractive entry points for long-term winners with exciting growth prospects. Being selective will be paramount. Balance sheet strength is a key consideration in an environment of rising interest rates, and we continue to scrutinise cashflow generation in our fundamental analysis to ensure that dividends can be sustained in the years ahead.

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.

M&G (Lux) North American Dividend Fund

Investment review

John Weavers
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 9 November 2022, the sub-fund was 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. From 10 November 2022, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**371,246**	**98.48**
Energy equipment & services						
Schlumberger	105,024	US$			**5,097**	**1.35**
Oil, gas & consumable fuels					**6,769**	**1.80**
Gibson Energy	372,637	CA$			5,926	1.57
ONEOK	13,458	US$			843	0.23
Chemicals					**18,371**	**4.87**
Air Products and Chemicals	45,974	US$			12,884	3.42
Methanex	119,577	US$			5,487	1.45
Textiles, apparel & luxury goods					**7,407**	**1.97**
NIKE 'B'	33,047	US$			3,986	1.06
VF	153,666	US$			3,421	0.91
Diversified consumer services						
Equifax	37,569	US$			**7,520**	**2.00**
Distributors						
Pool	3,005	US$			**1,009**	**0.27**
Specialty retail					**13,534**	**3.59**
Lowe's	42,802	US$			8,266	2.19
Tractor Supply	22,813	US$			5,268	1.40
Food & staples retailing					**15,457**	**4.10**
Costco Wholesale	8,332	US$			4,102	1.09
Sysco	147,344	US$			11,355	3.01
Food products						
Mondeléz International	34,053	US$			**2,374**	**0.63**
Personal products						
Estee Lauder	9,972	US$			**2,465**	**0.65**
Health care providers & services					**24,089**	**6.39**
Elevance Health	18,815	US$			8,652	2.30
UnitedHealth Group	32,811	US$			15,437	4.09
Pharmaceuticals					**9,975**	**2.65**
Merck	80,651	US$			8,555	2.27
Zoetis	8,593	US$			1,420	0.38

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Life sciences tools & services						
Thermo Fisher Scientific	12,955	US$			**7,304**	**1.94**
Banks					**10,079**	**2.67**
First Republic Bank	20,510	US$			281	0.07
JPMorgan Chase	76,079	US$			9,798	2.60
Consumer finance					**31,375**	**8.32**
American Express	55,004	US$			8,971	2.38
Visa 'A'	100,583	US$			22,404	5.94
Capital markets					**21,311**	**5.65**
BlackRock	23,567	US$			15,594	4.14
S&P Global	16,731	US$			5,717	1.51
Insurance						
Arthur J Gallagher & Co	33,219	US$			**6,312**	**1.67**
IT services					**34,508**	**9.15**
Accenture 'A'	6,786	US$			1,922	0.51
Mastercard 'A'	90,485	US$			32,586	8.64
Software					**39,158**	**10.39**
Intuit	9,880	US$			4,363	1.16
Microsoft	122,143	US$			34,795	9.23
Communications equipment						
Motorola Solutions	12,150	US$			**3,433**	**0.91**
Semiconductors & semiconductor equipment					**62,134**	**16.48**
Broadcom	41,504	US$			26,344	6.99
KLA	17,327	US$			6,890	1.83
Lam Research	28,893	US$			15,445	4.09
NXP Semiconductors	27,272	US$			4,971	1.32
QUALCOMM	66,447	US$			8,484	2.25
Diversified telecommunication services						
Cogent Communications Holdings	204,954	US$			**12,816**	**3.40**
Electric utilities						
NextEra Energy	88,691	US$			**6,804**	**1.81**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Equity Real Estate Investment Trusts (REITs)					**21,945**	**5.82**
American Tower	62,570	US$			12,599	3.34
Equinix	8,693	US$			6,108	1.62
Rexford Industrial Realty	55,676	US$			3,238	0.86
Currency					**334**	**0.09**
Forward currency contracts					**334**	**0.09**
Bought for CAD 17,928.98, Sold for € 12,179.74			19.04.2023		0	0.00
Bought for CAD 76.50, Sold for £ 46.02			19.04.2023		0	0.00
Bought for CAD 56.01, Sold for ZAR 755.59			19.04.2023		0	0.00
Bought for € 369,890.43, Sold for CAD 546,039.57			19.04.2023		0	0.00
Bought for € 68.35, Sold for £ 60.27			19.04.2023		0	0.00
Bought for € 21,784,385.94, Sold for US$ 23,350,416.36			19.04.2023		350	0.09
Bought for € 101.33, Sold for ZAR 1,975.54			19.04.2023		0	0.00
Bought for £ 345.44, Sold for CAD 575.89			19.04.2023		0	0.00
Bought for £ 55.36, Sold for € 62.89			19.04.2023		0	0.00
Bought for £ 19,678.17, Sold for US$ 23,825.06			19.04.2023		1	0.00
Bought for US$ 1,473,615.97, Sold for € 1,369,946.91			19.04.2023		(17)	0.00
Bought for US$ 479.32, Sold for £ 393.54			19.04.2023		0	0.00
Bought for US$ 2,090.82, Sold for ZAR 38,109.28			19.04.2023		0	0.00
Bought for ZAR 12,168.30, Sold for CAD 919.69			19.04.2023		0	0.00
Bought for ZAR 2,029.57, Sold for € 102.85			19.04.2023		0	0.00
Bought for ZAR 734,532.90, Sold for US$ 40,300.21			19.04.2023		0	0.00
Portfolio of investments					**371,580**	**98.57**
Cash equivalents					**5,214**	**1.38**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	5,214,000	US$			**5,214**	**1.38**
Total portfolio					**376,794**	**99.95**
Net other assets/(liabilities)					172	0.05
Net assets					**376,966**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	371,246	98.48
Unrealised gains on forward currency contracts	351	0.09
Total Investment assets	**371,597**	**98.57**
Investment liabilities		
Unrealised losses on forward currency contracts	(17)	0.00
Total Investment liabilities	**(17)**	**0.00**
Total portfolio	**371,580**	**98.57**
Cash equivalents	**5,214**	**1.38**
Net other assets/(liabilities)	**172**	**0.05**
Net assets	**376,966**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts US$'000
State Street Bank and Trust Company	51,798

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-7.9	+16.0	+11.4	+5.8	28.11.01	09.11.18
Class 'A' Distribution	-7.9	+16.0	+11.4	+12.1	08.08.14	09.11.18
Class 'A-H' Accumulation	-13.0	+13.5	+6.2	+6.7	12.09.08	09.11.18
Class 'C' Accumulation	-7.2	+16.9	+12.3	+6.9	28.11.01	09.11.18
Class 'C' Distribution	-7.2	+16.9	+12.3	+13.0	08.08.14	09.11.18
Class 'C-H' Accumulation	-12.4	+14.3	+7.0	+9.3	01.10.10	09.11.18
Class 'CI' Accumulation	-7.2	+16.9	+12.3	+6.9	28.11.01	19.11.18
South African rand						
Class 'A-H' Accumulation	n/a	n/a	n/a	-6.4	n/a	21.04.22
Class 'X-H' Accumulation	n/a	n/a	n/a	-7.3	n/a	21.04.22

M&G (Lux) North American Dividend Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Sterling						
Class 'C' Accumulation	-3.6	+16.6	n/a	+8.3	n/a	05.07.19
Class 'C' Distribution	-3.6	+16.6	n/a	+8.3	n/a	05.07.19
Class 'C-H' Accumulation	n/a	n/a	n/a	-0.5	n/a	24.11.22
Class 'CI' Accumulation	-3.5	+16.6	n/a	+8.3	n/a	05.07.19
Class 'CI' Distribution	-3.5	+16.6	n/a	+8.3	n/a	05.07.19
US dollar						
Class 'A' Accumulation	-9.8	+15.7	+8.7	+6.7	09.03.07	09.11.18
Class 'A' Distribution	-9.8	+15.7	+8.7	+9.4	08.08.14	09.11.18
Class 'C' Accumulation	-9.1	+16.6	+9.5	+7.5	09.03.07	09.11.18
Class 'C' Distribution	-9.1	+16.6	+9.5	+10.2	08.08.14	09.11.18
Class 'CI' Accumulation	-9.1	+16.7	+9.6	+8.1	09.03.07	19.11.18
Class 'CI' Distribution	-9.1	+16.7	n/a	+6.2	n/a	21.02.20
Class 'X' Accumulation	n/a	n/a	n/a	-8.9	n/a	21.04.22

[a] Sub-fund performance before the launch of the sub-fund on 9 November 2018 is that of the relevant Merged Share Class of the M&G North American Dividend Fund, which includes UK taxes but excludes entry and exit charges. The M&G North American Dividend Fund is a UK authorised sub-fund which launched on 18 December 1972 and its non-Sterling share classes merged into M&G (Lux) North American Dividend Fund on 9 November 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	721,945.184	33.2875	36.1423	30.4004
Class 'A' Distribution	61,882.027	29.1414	32.0967	27.3500
Class 'A-H' Accumulation	226,064.957	25.7531	29.6147	26.5897
Class 'C' Accumulation	288,373.932	38.4781	41.4658	34.6173
Class 'C' Distribution	430.706	33.4351	36.5469	30.9076
Class 'C-H' Accumulation	544,177.648	28.0634	32.0396	28.5708
Class 'CI' Accumulation	708,412.073	15.4786	16.6741	13.9153
South African rand		**ZAR**	**ZAR**	**ZAR**
Class 'A-H' Accumulation	2,566.734	140.3791	n/a	n/a
Class 'X-H' Accumulation	2,566.667	139.0704	n/a	n/a
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	3,642.694	13.4518	13.9507	11.7467
Class 'C' Distribution	1,053,487.217	12.8101	13.4774	11.4975
Class 'C-H' Accumulation	2,000.000	9.9536	n/a	n/a
Class 'CI' Accumulation	516,509.338	13.4716	13.9661	11.7551
Class 'CI' Distribution	129,543.966	12.8317	13.4940	11.5054
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	6,175,016.163	28.4019	31.4761	28.0036
Class 'A' Distribution	459,133.257	24.8493	27.9357	25.1779
Class 'C' Accumulation	1,182,385.117	32.0226	35.2243	31.0996
Class 'C' Distribution	374,026.991	27.7229	30.9322	27.6691
Class 'CI' Accumulation	2,674,115.579	14.7244	16.1898	14.2894
Class 'CI' Distribution	4,600.000	11.5875	12.9240	11.5557
Class 'X' Accumulation	1,000.000	9.1126	n/a	n/a

M&G (Lux) North American Dividend Fund

Financial highlights

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	376,966	378,299	200,461
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**376,966**	**378,299**	**200,461**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.77
Class 'A' Distribution	1.77
Class 'A-H' Accumulation	1.79
Class 'C' Accumulation	1.02
Class 'C' Distribution	1.02
Class 'C-H' Accumulation	1.04
Class 'CI' Accumulation	0.98
South African rand	**%**
Class 'A-H' Accumulation	1.79
Class 'X-H' Accumulation	2.79
Sterling	**%**
Class 'C' Accumulation	1.03
Class 'C' Distribution	1.02
Class 'C-H' Accumulation	1.06
Class 'CI' Accumulation	0.98
Class 'CI' Distribution	0.98
US dollar	**%**
Class 'A' Accumulation	1.77
Class 'A' Distribution	1.77
Class 'C' Accumulation	1.02
Class 'C' Distribution	1.02
Class 'CI' Accumulation	0.98
Class 'CI' Distribution	0.98
Class 'X' Accumulation	2.77

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

US equity markets fell in the 12 months under review, as investors grappled with concerns about rising inflation, tightening monetary conditions, and a short-lived banking crisis which began in the US and spread to Europe.

From a style perspective, lowly valued stocks outperformed growth stocks as expectations of higher interest rates saw investors become more cautious about the elevated valuations of many high-flying, growth orientated mega-cap stocks, particularly in the technology sector.

Relative performance benefited from stock selection in financials, consumer discretionary and utilities. Our below-benchmark position in consumer discretionary also contributed positively, as did the above-benchmark allocation to energy. In contrast, our below-benchmark position in the technology sector, as well as stock selection within it, was the main drag on relative returns.

Looking at individual companies, the sub-fund benefited from avoiding Amazon and Tesla during a period when higher interest rates resulted in investors re-evaluating the valuations of highly rated technology stocks. Higher energy prices helped oil firm ConocoPhillips deliver better-than-expected quarterly earnings and boost its planned 2022 capital return to shareholders. Drugmaker Merck was also a positive contributor as investors placed a premium on its defensive qualities.

Notable detractors included Devon Energy and real estate investment trust Highwoods Properties; the latter had a challenging time as the wider commercial real estate sector came under pressure in a higher interest rate environment. Relative performance was also hampered by not holding oil major ExxonMobil, which enjoyed a strong period due to higher energy prices.

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.

Investment activities

During the period under review, we acquired a new holding in GE Healthcare Technologies when the medical diagnostics business was spun off by General Electric. We started two new positions on attractive valuations: Lundin Mining – as we felt investors were overly pessimistic about the copper producer's operations – and Medtronic, a medical devices manufacturer, which has made a slower-than-expected recovery after the cancellation of elective procedures during the pandemic. Other new names included oil & gas explorer Devon Energy, biscuit and chocolate firm Mondelez International, data storage company Seagate Technology, semiconductor equipment firm KLA and media firm Warner Bros Discovery, which operates a range of television channels and streaming services.

Turning to sales, we exited Cognizant Technology Solutions, following a recovery in the share price and over longer-term concerns around the outsourcing IT services business' ability to manage inflationary pressure. We exited a position in Columbia Sportswear after the outdoor apparel manufacturer had outperformed a weak consumer discretionary sector last year. We sold our shares in AT&T as it had become a pure telecoms play after spinning off HBO. We exited our position in technology firm Hewlett Packard, which has been a laggard, taking advantage of a short-term run up in the share price. Finally, the positions in tobacco company Altria and oil firm ConocoPhillips were sold.

Outlook

Looking ahead, US stockmarkets are likely to remain volatile in the near term, as there is still much uncertainty over the trajectory of inflation and interest rates. The threat of further earnings downgrades could send company shares valuations in certain sectors even lower in 2023.

That being said, companies in general are in better shape than they were going into the great financial

Investment review

crisis (GFC), in our view, and the indiscriminate market sell-off is providing what we consider to be attractive opportunities on a selective basis.

As dedicated value investors, we remain optimistic about the prospects of the value investment style and the sub-fund's holdings. The rotation towards cheaper value companies that occurred during the period under review provided a stark reminder of how quickly investor sentiment can shift. We are hopeful that investors will continue to look more positively on out-of-favour value stocks, and think the sub-fund is well-placed to benefit from any further rotation away from growth.

Daniel White
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 9 November 2022, the sub-fund was 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. From 10 November 2022, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**64,394**	**97.33**
Oil, gas & consumable fuels					**4,044**	**6.11**
Chevron	9,845	US$			1,600	2.42
Cobalt International Energy[a]	34,444	US$			0	0.00
Devon Energy	24,495	US$			1,223	1.85
Euronav	21,806	US$			360	0.54
Hess	3,555	US$			472	0.71
Kosmos Energy	53,825	US$			389	0.59
Chemicals						
FMC	8,258	US$			**1,002**	**1.51**
Construction materials						
Eagle Materials	5,787	US$			**840**	**1.27**
Containers & packaging						
Westrock	17,055	US$			**510**	**0.77**
Metals & mining					**2,092**	**3.16**
Lundin Mining	149,853	CA$			991	1.50
Newmont	7,482	US$			363	0.55
Steel Dynamics	6,593	US$			738	1.11
Building products						
Owens Corning	8,320	US$			**778**	**1.18**
Industrial conglomerates						
General Electric	5,623	US$			**530**	**0.80**
Machinery					**1,222**	**1.85**
Caterpillar	4,146	US$			932	1.41
Oshkosh	3,580	US$			290	0.44
Professional services						
ManpowerGroup	5,957	US$			**485**	**0.73**
Air freight & logistics						
FedEx	2,617	US$			**588**	**0.89**
Airlines						
Southwest Airlines	20,306	US$			**642**	**0.97**
Road & rail						
CSX	30,035	US$			**887**	**1.34**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Auto components						
Magna International	7,693	US$			**401**	**0.61**
Automobiles						
General Motors	17,493	US$			**631**	**0.95**
Leisure products						
Brunswick	5,134	US$			**406**	**0.61**
Textiles, apparel & luxury goods						
Tapestry	13,229	US$			**559**	**0.84**
Internet & direct marketing retail						
eBay	18,515	US$			**814**	**1.23**
Food & staples retailing						
Kroger	25,136	US$			**1,235**	**1.87**
Beverages					**2,281**	**3.45**
Coca-Cola European Partners	22,776	US$			1,333	2.02
Molson Coors Beverage 'B'	18,408	US$			948	1.43
Food products					**2,607**	**3.94**
Mondeléz International	26,555	US$			1,851	2.80
Tyson Foods 'A'	12,966	US$			756	1.14
Household products						
Energizer Holdings	11,442	US$			**388**	**0.59**
Personal products						
Coty 'A'	52,281	US$			**630**	**0.95**
Health care equipment & supplies					**3,308**	**5.00**
GE HealthCare Technologies	11,818	US$			964	1.46
Medtronic	12,710	US$			1,008	1.52
Stryker	4,750	US$			1,336	2.02
Health care providers & services					**1,601**	**2.42**
Elevance Health	2,687	US$			1,236	1.87
Laboratory Corporation of America Holdings	1,623	US$			365	0.55
Biotechnology						
AbbVie	5,282	US$			**834**	**1.26**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Pharmaceuticals					**5,534**	**8.36**
Bristol-Myers Squibb	16,663	US$			1,137	1.72
Johnson & Johnson	12,459	US$			1,913	2.89
Merck	8,191	US$			869	1.31
Organon	17,515	US$			405	0.61
Pfizer	29,976	US$			1,210	1.83
Banks					**3,840**	**5.80**
Citigroup	15,822	US$			729	1.10
JPMorgan Chase	13,499	US$			1,738	2.63
Truist Financial	14,529	US$			493	0.74
Wells Fargo	23,515	US$			880	1.33
Diversified financial services						
Voya Financial	8,544	US$			**601**	**0.91**
Capital markets						
Seagate Technology Holdings	12,382	US$			**806**	**1.22**
Insurance					**2,445**	**3.70**
Hartford Financial Services Group	12,070	US$			833	1.26
Reinsurance Group of America	4,760	US$			632	0.96
Willis Towers Watson	4,274	US$			980	1.48
IT services						
DXC Technology	22,455	US$			**564**	**0.85**
Software					**3,634**	**5.49**
Check Point Software Technologies	8,150	US$			1,040	1.57
Fiserv	11,067	US$			1,253	1.89
Oracle	14,780	US$			1,341	2.03
Communications equipment						
Cisco Systems Delaware	30,341	US$			**1,559**	**2.36**
Technology hardware, storage & peripherals						
Western Digital	17,462	US$			**653**	**0.99**
Electronic equipment, instruments & components						
Vishay Intertechnology	18,113	US$			**405**	**0.61**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Semiconductors & semiconductor equipment					**2,531**	**3.83**
Intel	32,607	US$			1,046	1.58
KLA	1,466	US$			583	0.88
Micron Technology	14,281	US$			902	1.37
Diversified telecommunication services						
Verizon Communications	18,197	US$			**705**	**1.07**
Media						
Comcast 'A'	30,490	US$			**1,135**	**1.72**
Entertainment						
Warner Bros Discovery	44,528	US$			**670**	**1.01**
Interactive Media & Services					**5,751**	**8.69**
Alphabet 'A'	29,647	US$			2,993	4.52
Meta Platforms 'A'	13,310	US$			2,758	4.17
Electric utilities					**2,127**	**3.22**
Constellation Energy	12,144	US$			935	1.42
Exelon	28,859	US$			1,192	1.80
Independent power and renewable electricity producers						
AES	45,732	US$			**1,080**	**1.63**
Equity Real Estate Investment Trusts (REITs)					**1,039**	**1.57**
Highwoods Properties	17,052	US$			389	0.59
National Retail Properties	15,004	US$			650	0.98
Currency					**113**	**0.17**
Forward currency contracts					**113**	**0.17**
Bought for CAD 6,781.16, Sold for € 4,584.07			19.04.2023		0	0.00
Bought for CHF 694.96, Sold for CAD 1,055.61			19.04.2023		0	0.00
Bought for CHF 2,888.67, Sold for € 2,925.59			19.04.2023		0	0.00
Bought for CHF 56,464.13, Sold for US$ 62,228.47			19.04.2023		0	0.00
Bought for € 109,104.04, Sold for CAD 161,061.54			19.04.2023		0	0.00
Bought for € 2,933.23, Sold for CHF 2,910.98			19.04.2023		0	0.00
Bought for € 1,729.96, Sold for £ 1,525.31			19.04.2023		0	0.00
Bought for € 2,135.07, Sold for SGD 3,077.10			19.04.2023		0	0.00

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Currency (continued)						
Forward currency contracts (continued)						
Bought for € 8,059,816.01, Sold for US$ 8,642,030.51			19.04.2023		126	0.19
Bought for £ 377.31, Sold for CAD 629.03			19.04.2023		0	0.00
Bought for £ 1,513.83, Sold for € 1,725.45			19.04.2023		0	0.00
Bought for £ 30,487.99, Sold for US$ 36,927.33			19.04.2023		1	0.00
Bought for SGD 777.26, Sold for CAD 794.32			19.04.2023		0	0.00
Bought for SGD 3,051.24, Sold for € 2,129.51			19.04.2023		0	0.00
Bought for SGD 61,861.86, Sold for US$ 45,919.92			19.04.2023		0	0.00
Bought for US$ 5,145.74, Sold for CHF 4,718.72			19.04.2023		0	0.00
Bought for US$ 1,063,164.29, Sold for € 990,476.34			19.04.2023		(14)	(0.02)
Bought for US$ 3,259.94, Sold for £ 2,666.30			19.04.2023		0	0.00
Bought for US$ 4,369.26, Sold for SGD 5,866.67			19.04.2023		0	0.00
Portfolio of investments					**64,507**	**97.50**
Cash equivalents					**1,520**	**2.30**
'AAA' rated money market funds						
Northern Trust Global Funds - US Dollar Fund Class 'D' (Distribution)	1,520,000	US$			**1,520**	**2.30**
Total portfolio					**66,027**	**99.80**
Net other assets/(liabilities)					132	0.20
Net assets					**66,159**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	64,394	97.33
Unrealised gains on forward currency contracts	127	0.19
Total Investment assets	**64,521**	**97.52**
Investment liabilities		
Unrealised losses on forward currency contracts	(14)	(0.02)
Total Investment liabilities	**(14)**	**(0.02)**
Total portfolio	**64,507**	**97.50**
Cash equivalents	**1,520**	**2.30**
Net other assets/(liabilities)	**132**	**0.20**
Net assets	**66,159**	**100.00**

[a] Fair valued.

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts US$'000
State Street Bank and Trust Company	20,421

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-5.1	+16.2	+7.1	+6.0	01.07.05	09.11.18
Class 'A-H' Accumulation	-10.3	+13.8	n/a	+2.4	n/a	19.11.18
Class 'C' Accumulation	-4.4	+17.1	+7.9	+6.8	01.07.05	09.11.18
Class 'C-H' Accumulation	-9.6	+14.6	n/a	+3.5	n/a	26.02.19
Class 'CI' Accumulation	-4.3	+17.2	+8.0	+6.8	01.07.05	19.11.18
Singapore dollar						
Class 'A-H' Accumulation	-8.1	+15.4	n/a	+4.3	n/a	26.02.19
Class 'C-H' Accumulation	-7.4	+16.2	n/a	+5.0	n/a	26.02.19
Sterling						
Class 'C-H' Accumulation	-8.3	+15.5	n/a	+5.1	n/a	05.07.19
Class 'CI' Accumulation	-0.6	+16.8	n/a	+7.7	n/a	26.02.19
Swiss franc						
Class 'A-H' Accumulation	-10.7	+13.4	n/a	+2.5	n/a	26.02.19
Class 'C-H' Accumulation	-10.0	+14.2	n/a	+3.2	n/a	26.02.19

M&G (Lux) North American Value Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A' Accumulation	-7.0	+15.9	+4.5	+4.5	09.03.07	09.11.18
Class 'C' Accumulation	-6.3	+16.8	+5.3	+5.3	09.03.07	09.11.18
Class 'CI' Accumulation	-6.3	+16.9	+5.3	+5.3	09.03.07	19.11.18

[a] Sub-fund performance before the launch of the sub-fund on 9 November 2018 is that of the relevant Merged Share Class of the M&G North American Value Fund, which includes UK taxes but excludes entry and exit charges. The M&G North American Value Fund is a UK authorised sub-fund which launched on 1 July 2005 and its non-Sterling share classes merged into M&G (Lux) North American Value Fund on 9 November 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	950,059.957	28.0460	29.5440	25.4459
Class 'A-H' Accumulation	541,707.082	11.0854	12.3523	11.3801
Class 'C' Accumulation	154,241.562	32.0651	33.5255	28.6589
Class 'C-H' Accumulation	116,329.314	11.4733	12.6943	11.6107
Class 'CI' Accumulation	906,064.626	13.2769	13.8759	11.8571
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A-H' Accumulation	2,415.000	11.8311	12.8720	11.7418
Class 'C-H' Accumulation	2,420.000	12.2023	13.1763	11.9277
Sterling		**£**	**£**	**£**
Class 'C-H' Accumulation	2,400.000	12.0258	13.1086	11.9192
Class 'CI' Accumulation	4,600.000	13.3915	13.4694	11.6082
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,400.000	11.0213	12.3410	11.4035
Class 'C-H' Accumulation	2,405.000	11.3662	12.6319	11.5835
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	498,129.432	20.3730	21.9054	19.9542
Class 'C' Accumulation	14,867.150	23.0001	24.5373	22.1843
Class 'CI' Accumulation	4,600.000	12.6198	13.4623	12.1668

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	66,159	91,101	59,455
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**66,159**	**91,101**	**59,455**

M&G (Lux) North American Value Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.72
Class 'A-H' Accumulation	1.74
Class 'C' Accumulation	0.97
Class 'C-H' Accumulation	0.99
Class 'CI' Accumulation	0.93
Singapore dollar	**%**
Class 'A-H' Accumulation	1.74
Class 'C-H' Accumulation	0.99
Sterling	**%**
Class 'C-H' Accumulation	1.00
Class 'CI' Accumulation	0.93
Swiss franc	**%**
Class 'A-H' Accumulation	1.73
Class 'C-H' Accumulation	0.98
US dollar	**%**
Class 'A' Accumulation	1.72
Class 'C' Accumulation	0.95
Class 'CI' Accumulation	0.93

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

Bonds sold off around the world in the 12 months under review against a backdrop of surging interest rates, high inflation and economic concerns.

The period started with heightened volatility and risk-off sentiment amid the war in Ukraine. Commodity and energy prices skyrocketed in the aftermath of the Russian invasion because of sanctions and supply disruptions. The lingering impact of COVID-19 upheavals on global supply chains also contributed to inflation reaching multi-decade highs.

Central banks, led by the Federal Reserve (Fed), responded to the surging prices by kickstarting a round of rate increases that ended years of easy money. Higher rates weigh on bonds by driving up the yields sought by investors bond prices and yields move in opposite directions).

Global bond markets began to pick up in the second half of the period because easing inflation spurred optimism that interest rates were nearing a peak. The collapse of Silicon Valley Bank in the US in March further eased rate pressure because lenders tightened credit criteria. Government debt rallied due to a flight to safety amid wider banking upheavals, including the forced sale of Credit Suisse. Bank bonds slumped.

Across the whole year, core government bonds and investment-grade corporate debt posted losses because of the interest-rate increases. High-yield bonds dropped somewhat less, reflecting the sector's lower sensitivity to interest rates. Emerging-market bonds suffered because of the higher Fed rates and a stronger dollar.

The sub-fund outperformed its benchmark in the period with all share classes posting smaller losses than the benchmark. The benchmark is a composite index equally weighted across the Bloomberg Global Agg Corporate Index EUR Hedged, the Bloomberg Global High Yield Index EUR Hedged and the Bloomberg Global Treasury Index EUR Hedged, representing the global corporate bond market, the global high yield bond market and the global government bond market.

The outperformance was driven by returns in the second half of the period, when the sub-fund benefited from an overweight position in high-yield euro corporate bonds. By contrast, asset selection in high-yield US dollar financial bonds was a drag.

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.

Investment activities

We increased exposure to government bonds over the 12 months and used derivatives to pare exposure to investment-grade corporate debt. At the end of period, the sub-fund's debt exposure was roughly equally divided between government bonds, investment-grade debt and high-yield.

Within investment grade, we add fixed-rate bonds and reduced holdings of debt with floating coupons. This helped to increase the portfolio's exposure to interest rates, pushing duration to 5.8 years from 3.8 years. The sub-fund added duration in euros and sterling, while reducing it in dollars. This reflects our view that inflation will fall more quickly in the eurozone than in the US.

The portfolio's overall average credit rating rose a notch during the year to BBB+.

Outlook

Inflation and interest rates remain the main concerns for the global economy and the bond market. Price increases have started to cool, but it's too early to say that inflation has been defeated. Indeed, policymakers are likely to raise rates further to help cool prices. Borrowing costs will probably be elevated for some time to come, and recession remains a risk.

Within the bond market, we are generally neutral on high-yield valuations. Supply-demand imbalances and attractive all-in yields remain supportive, along with fundamentals. We also expect a shallower default cycle than the market. In the investment grade sector, investors can benefit from diversification amid market uncertainties and historically high yields.

M&G (Lux) Optimal Income Fund

Investment review

Richard Woolnough
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities					**28,276**	**0.30**
Consumer services						
K2016470219 South Africa[a]	9,727,060	ZAR			**0**	**0.00**
Travel & leisure						
Codere[a]	1,514,129	€			**0**	**0.00**
Industrial support services						
Adecco Group	850,000	CHF			**28,201**	**0.30**
Industrial metals & mining						
New World Resources 'A'[a]	13,243,773	£			**0**	**0.00**
Non-renewable energy					**75**	**0.00**
Chaparral Energy 'A' (Warrant)[a]	311	US$	01.10.2024		0	0.00
Chaparral Energy 'A' (Warrant)[a]	311	US$	01.10.2025		0	0.00
Denbury (Warrant)	1,565	US$	18.09.2023		75	0.00
Fixed income					**8,808,815**	**92.45**
Debt securities					**8,657,160**	**90.86**
'AAA' credit rated bonds					**330,697**	**3.47**
Germany (Federal Republic of) 1%	50,000,000	€	15.08.2024		48,814	0.51
Germany (Federal Republic of) 1%	100,000,000	€	15.08.2025		96,277	1.01
Inter-American Development Bank FRN	40,000,000	US$	10.06.2031		36,364	0.38
Microsoft 2.4%	40,000,000	US$	08.08.2026		34,901	0.37
Microsoft 3.45%	15,000,000	US$	08.08.2036		12,711	0.13
National Australia Bank 4.628%	25,000,000	US$	22.11.2027		23,178	0.24
Nationwide Building Society FRN	17,747,000	£	24.02.2031		19,781	0.21
Nationwide Building Society 3.625%	24,000,000	€	15.03.2028		24,305	0.26
Taurus UK FRN	8,037,509	£	17.08.2031		8,926	0.09
Toronto-Dominion Bank 3.715%	25,000,000	€	13.03.2030		25,440	0.27
'AA' credit rated bonds					**2,183,521**	**22.92**
Apple 1.2%	20,000,000	US$	08.02.2028		16,084	0.17
Apple 3.2%	20,000,000	US$	11.05.2027		17,803	0.19
Apple 3.35%	20,000,000	US$	09.02.2027		17,898	0.19
Deutsche Bahn Finance 3.625%	10,000,000	€	18.12.2037		9,961	0.10
European Union 1%	50,000,000	€	06.07.2032		42,006	0.44
European Union 1.625%	50,000,000	€	04.12.2029		45,987	0.48

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'AA' credit rated bonds (continued)						
European Union 3.25%	65,062,241	€	04.07.2034		65,898	0.69
France (Republic of) 1.25%	450,000,000	€	25.05.2034		376,083	3.95
France (Republic of) 2%	100,000,000	€	25.05.2048		79,161	0.83
Land Securities Capital Markets 4.875%	4,684,000	£	15.09.2034		5,394	0.06
Metropolitan Life Global Funding I 1.625%	16,722,000	£	12.10.2028		16,131	0.17
UK Gilt 0.625%	400,000,000	£	22.10.2050		207,755	2.18
UK Gilt 4.25%	100,000,000	£	07.12.2046		119,732	1.26
US Treasury Bond 1.625%	200,000,000	US$	15.11.2050		116,499	1.22
US Treasury Bond 2.25%	25,000,000	US$	15.08.2046		17,179	0.18
US Treasury Note 0.75%	100,000,000	US$	31.03.2026		83,889	0.88
US Treasury Note 1%	200,000,000	US$	31.07.2028		160,052	1.68
US Treasury Note 1.25%	150,000,000	US$	30.06.2028		121,947	1.28
US Treasury Note 1.5%	150,000,000	US$	15.02.2025		131,218	1.38
US Treasury Note 2.125%	100,000,000	US$	15.05.2025		88,262	0.93
US Treasury Note 2.25%	100,000,000	US$	15.11.2025		88,000	0.92
US Treasury Note 2.25%	110,000,000	US$	15.11.2027		94,760	0.99
US Treasury Note 2.375%	100,000,000	US$	15.05.2029		85,441	0.90
US Treasury Note 2.875%	200,000,000	US$	15.08.2028		176,381	1.85
'A' credit rated bonds					**841,076**	**8.83**
Assura Financing 3%	5,312,000	£	19.07.2028		5,377	0.06
AXA FRN	20,000,000	£	16.01.2054		21,409	0.23
Bank of America FRN	20,000,000	US$	27.04.2028		17,776	0.19
Bank of America FRN	25,000,000	£	02.06.2029		23,669	0.25
Bank of America FRN	35,000,000	€	22.03.2031		27,646	0.29
Bank of America FRN	13,319,000	£	27.04.2031		13,511	0.14
Bank of America FRN	20,000,000	US$	24.10.2031		14,606	0.15
Banque Fédérative du Crédit Mutuel 0.625%	20,200,000	€	03.11.2028		16,607	0.17
Banque Fédérative du Crédit Mutuel 0.625%	6,000,000	€	21.02.2031		4,572	0.05
Banque Fédérative du Crédit Mutuel 1.375%	15,000,000	€	02.04.2030		12,342	0.13
Chubb INA Holdings 0.875%	15,000,000	€	15.12.2029		12,404	0.13

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Chubb INA Holdings 1.4%	16,000,000	€	15.06.2031		13,187	0.14
Comcast 2.987%	5,000,000	US$	01.11.2063		2,947	0.03
Comcast 3.2%	8,264,000	US$	15.07.2036		6,369	0.07
Comcast Cable Communications 8.5%	4,534,000	US$	01.05.2027		4,673	0.05
Crédit Agricole FRN	9,600,000	€	21.09.2029		7,863	0.08
Crédit Agricole 0.875%	15,000,000	€	14.01.2032		11,502	0.12
Crédit Agricole 3.875%	7,800,000	€	28.11.2034		7,816	0.08
East Japan Railway 4.11%	15,036,000	€	22.02.2043		14,994	0.16
ELM for Helvetia Schweizerische Versicherungsgesellschaft FRN	2,424,000	€	29.09.2047		2,180	0.02
ELM for Swiss Life Insurance & Pension Group FRN	5,582,000	€	29.12.2049		5,279	0.06
Hannover Rueck FRN	11,800,000	€	08.10.2040		9,131	0.10
Hannover Rueck FRN	17,000,000	€	30.06.2042		12,104	0.13
Hannover Rueck FRN	15,000,000	€	26.08.2043		15,282	0.16
Henkel 1.75%	4,000,000	US$	17.11.2026		3,327	0.04
Home Depot 4.5%	10,000,000	US$	15.09.2032		9,197	0.10
International Business Machines 4.5%	10,000,000	US$	06.02.2028		9,154	0.10
JPMorgan Chase FRN	8,333,000	US$	25.07.2028		7,626	0.08
JPMorgan Chase FRN	20,000,000	US$	01.06.2029		15,896	0.17
JPMorgan Chase FRN	10,000,000	€	12.06.2029		8,913	0.09
JPMorgan Chase FRN	35,000,000	US$	25.01.2033		27,367	0.29
JPMorgan Chase FRN	10,676,000	US$	26.04.2033		9,453	0.10
JPMorgan Chase FRN	16,000,000	£	28.04.2033		13,955	0.15
JPMorgan Chase FRN	26,000,000	US$	25.07.2033		23,621	0.25
KKR Group Finance V 1.625%	12,000,000	€	22.05.2029		9,552	0.10
Leeds Building Society 1.375%	16,738,000	£	06.10.2027		16,059	0.17
Meta Platforms 4.45%	10,000,000	US$	15.08.2052		7,993	0.08
Meta Platforms 4.65%	30,000,000	US$	15.08.2062		24,134	0.25
Mizuho Financial Group FRN	33,000,000	US$	08.09.2031		23,914	0.25
Morgan Stanley FRN	10,000,000	€	29.10.2027		8,720	0.09
Morgan Stanley FRN	10,000,000	US$	22.07.2028		8,651	0.09

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Morgan Stanley FRN	40,000,000	€	26.10.2029		32,747	0.34
Morgan Stanley FRN	20,000,000	€	07.02.2031		15,662	0.16
Morgan Stanley FRN	30,000,000	US$	01.04.2031		25,090	0.26
Morgan Stanley FRN	25,000,000	US$	13.02.2032		17,969	0.19
Morgan Stanley FRN	16,667,000	€	29.04.2033		12,642	0.13
Morgan Stanley FRN	8,000,000	£	18.11.2033		9,269	0.10
Münchener Rückversicherungs-Gesellschaft FRN	11,200,000	US$	23.05.2042		10,252	0.11
Münchener Rückversicherungs-Gesellschaft FRN	5,600,000	€	26.05.2042		3,932	0.04
Nationwide Building Society 0.25%	23,874,000	€	14.09.2028		19,231	0.20
NBN 4.375%	11,448,000	€	15.03.2033		11,779	0.12
Philip Morris International 1.45%	30,000,000	€	01.08.2039		17,422	0.18
Poland (Republic of) 5.75%	10,000,000	US$	16.11.2032		9,786	0.10
Prologis Euro Finance 4.25%	10,000,000	€	31.01.2043		8,969	0.09
Prologis International Funding II 4.625%	8,000,000	€	21.02.2035		7,453	0.08
Slovakia (Republic of) 3.75%	20,000,000	€	23.02.2035		19,636	0.21
Toronto-Dominion Bank 2.875%	25,000,000	£	05.04.2027		25,954	0.27
TotalEnergies FRN	10,000,000	€	31.12.2099		7,666	0.08
TotalEnergies FRN	12,264,000	€	31.12.2099		8,884	0.09
UBS Group FRN	20,192,000	£	03.11.2029		18,403	0.19
UBS Group FRN	4,432,000	US$	13.08.2030		3,462	0.04
Willow No. 2 Ireland for Zurich Insurance FRN	1,568,000	US$	01.10.2045		1,327	0.01
Zurich Finance FRN	30,000,000	US$	19.04.2051		21,043	0.22
Zurich Finance FRN	21,000,000	£	23.11.2052		21,720	0.23
'BBB' credit rated bonds					**3,965,216**	**41.62**
3i Group 5.75%	3,305,000	£	03.12.2032		3,809	0.04
AerCap Ireland Capital Via AerCap Global Aviation Trust 3.3%	35,000,000	US$	30.01.2032		26,434	0.28
AerCap Ireland Capital Via AerCap Global Aviation Trust 3.4%	15,000,000	US$	29.10.2033		11,093	0.12
Allianz FRN	10,000,000	US$	31.12.2099		6,514	0.07
Altria Group 5.95%	20,000,000	US$	14.02.2049		17,355	0.18

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Altria Group 6.2%	3,023,000	US$	14.02.2059		2,692	0.03
Amgen 4.4%	12,000,000	US$	22.02.2062		9,251	0.10
Amgen 5.75%	10,455,000	US$	02.03.2063		9,863	0.10
Anglo American Capital 2.625%	5,000,000	US$	10.09.2030		3,828	0.04
Anglo American Capital 3.375%	10,000,000	£	11.03.2029		10,030	0.11
Anglo American Capital 4.75%	6,623,000	US$	16.03.2052		5,120	0.05
Annington Funding 2.308%	6,167,000	£	06.10.2032		5,120	0.05
Annington Funding 2.924%	6,985,000	£	06.10.2051		4,400	0.05
Annington Funding 3.184%	5,000,000	£	12.07.2029		4,772	0.05
Annington Funding 3.685%	3,587,000	£	12.07.2034		3,224	0.03
Argentum Netherlands for Swiss Re FRN	1,568,000	US$	15.08.2050		1,371	0.01
Aroundtown 3%	11,000,000	£	16.10.2029		7,902	0.08
Aroundtown 5.375%	5,000,000	US$	21.03.2029		3,423	0.04
Assicurazioni Generali FRN	20,000,000	€	27.10.2047		20,028	0.21
Assicurazioni Generali FRN	4,000,000	£	29.06.2049		4,469	0.05
Australia & New Zealand Banking Group FRN	24,000,000	£	16.09.2031		22,889	0.24
Australia & New Zealand Banking Group FRN	5,000,000	US$	25.11.2035		3,530	0.04
Aviva FRN	8,500,000	£	14.11.2036		9,643	0.10
Aviva FRN	12,500,000	€	04.12.2045		11,767	0.12
Aviva FRN	12,301,000	£	12.09.2049		12,388	0.13
Aviva FRN	24,000,000	£	04.06.2050		24,801	0.26
Aviva FRN	3,334,000	£	31.12.2099		3,279	0.03
Banco Bilbao Vizcaya Argentaria FRN	30,000,000	US$	14.09.2028		27,966	0.29
Banco Santander FRN	11,300,000	£	06.10.2026		11,953	0.13
Banco Santander FRN	30,000,000	£	04.10.2032		27,580	0.29
Banco Santander FRN	10,000,000	US$	22.11.2032		7,156	0.07
Banco Santander 1.5%	7,700,000	£	14.04.2026		7,718	0.08
Banco Santander 1.75%	9,500,000	£	17.02.2027		9,254	0.10
Banco Santander 2.958%	5,000,000	US$	25.03.2031		3,778	0.04
Bank of America FRN	30,000,000	US$	21.09.2036		20,825	0.22

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Bank of America FRN	50,000,000	US$	08.03.2037		39,299	0.41
Bank of Ireland Group FRN	4,481,000	€	16.07.2028		4,483	0.05
Bankinter FRN	20,000,000	€	23.12.2032		16,319	0.17
Banque Fédérative du Crédit Mutuel FRN	25,000,000	€	16.06.2032		23,894	0.25
Banque Fédérative du Crédit Mutuel 1.125%	14,500,000	€	19.11.2031		10,724	0.11
Banque Fédérative du Crédit Mutuel 5.125%	6,600,000	€	13.01.2033		6,619	0.07
Barclays FRN	5,526,000	US$	09.08.2033		4,975	0.05
Barclays FRN	20,000,000	US$	02.11.2033		20,165	0.21
Bayerische Landesbank FRN	15,000,000	€	23.09.2031		12,429	0.13
Bevco Lux 1%	12,825,000	€	16.01.2030		9,966	0.10
BNP Paribas FRN	15,000,000	€	19.01.2030		11,981	0.13
BNP Paribas FRN	29,500,000	US$	13.01.2031		23,231	0.24
BNP Paribas FRN	7,500,000	US$	20.01.2033		5,733	0.06
BNP Paribas FRN	6,000,000	US$	01.03.2033		5,036	0.05
BNP Paribas FRN	15,400,000	€	31.08.2033		12,209	0.13
BNP Paribas 1.25%	20,000,000	£	13.07.2031		16,194	0.17
BNP Paribas 2.875%	5,800,000	£	24.02.2029		5,667	0.06
BNP Paribas 4.625%	17,347,000	US$	13.03.2027		15,213	0.16
Boeing 5.705%	30,000,000	US$	01.05.2040		27,681	0.29
Boeing 5.805%	50,000,000	US$	01.05.2050		45,748	0.48
Boeing 5.93%	90,000,000	US$	01.05.2060		81,512	0.86
BP Capital Markets FRN	8,000,000	£	31.12.2099		8,186	0.09
BP Capital Markets FRN	15,168,000	€	31.12.2099		13,245	0.14
BPCE FRN	20,000,000	US$	20.01.2032		14,132	0.15
BPCE FRN	6,720,000	US$	19.10.2032		4,704	0.05
BPCE FRN	16,552,000	US$	19.10.2042		10,292	0.11
British Telecommunications 3.125%	8,448,000	£	21.11.2031		8,162	0.09
British Telecommunications 5.75%	3,200,000	£	13.02.2041		3,549	0.04
British Telecommunications 6.375%	30,000,000	£	23.06.2037		35,326	0.37
British Telecommunications 9.625%	5,000,000	US$	15.12.2030		5,739	0.06

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Broadcom 3.469%	30,000,000	US$	15.04.2034		22,594	0.24
Broadcom 4.3%	15,000,000	US$	15.11.2032		12,615	0.13
BUPA Finance 4.125%	20,000,000	£	14.06.2035		17,994	0.19
BUPA Finance 5%	4,000,000	£	08.12.2026		4,372	0.05
Bureau Veritas 1.875%	14,700,000	€	06.01.2025		14,189	0.15
Cadent Finance 2.125%	16,000,000	£	22.09.2028		15,485	0.16
Cadent Finance 5.75%	4,167,000	£	14.03.2034		4,815	0.05
CaixaBank FRN	22,200,000	£	06.04.2028		22,634	0.24
CaixaBank FRN	15,000,000	€	26.05.2028		12,851	0.13
Capital One Financial 1.65%	20,834,000	€	12.06.2029		16,193	0.17
Celanese US Holdings 5.337%	18,477,000	€	19.01.2029		18,124	0.19
Celanese US Holdings 6.379%	7,056,000	US$	15.07.2032		6,536	0.07
Channel Link Enterprises Finance FRN	8,057,000	£	30.06.2050		7,816	0.08
Channel Link Enterprises Finance FRN	11,987,000	€	30.06.2050		10,917	0.11
Channel Link Enterprises Finance 3.848%	1,307,000	£	30.06.2050		1,055	0.01
Cheltenham & Gloucester 11.75%	800,000	£	29.10.2049		1,346	0.01
Citigroup FRN	5,000,000	US$	25.01.2033		3,882	0.04
Citigroup FRN	40,497,000	US$	17.03.2033		33,400	0.35
Citigroup FRN	5,000,000	US$	24.05.2033		4,484	0.05
Citigroup 4.5%	12,464,000	£	03.03.2031		13,035	0.14
Citigroup 6.625%	4,136,000	US$	15.06.2032		4,061	0.04
CK Hutchison Group Telecom Finance 2.625%	7,000,000	£	17.10.2034		5,727	0.06
Coöperatieve Rabobank FRN	10,600,000	€	30.11.2032		10,090	0.11
Coöperatieve Rabobank FRN	4,400,000	€	31.12.2099		3,767	0.04
Coöperatieve Rabobank 4.625%	15,000,000	£	23.05.2029		15,626	0.16
Coventry Building Society 2%	9,031,000	£	20.12.2030		7,945	0.08
CPUK Finance 3.69%	8,936,000	£	28.02.2047		9,069	0.10
Crédit Agricole FRN	5,000,000	€	05.06.2030		4,640	0.05
Crédit Agricole FRN	13,400,000	£	09.12.2031		12,774	0.13
Crédit Agricole FRN	1,000,000	£	31.12.2099		1,033	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Crédit Agricole FRN	4,800,000	€	31.12.2099		4,638	0.05
Crédit Agricole Assurances 1.5%	5,000,000	€	06.10.2031		3,797	0.04
Danske Bank FRN	17,000,000	£	14.01.2028		16,656	0.17
Danske Bank FRN	20,000,000	€	09.06.2029		16,544	0.17
Delamare Finance 5.5457%	4,915,242	£	19.02.2029		5,571	0.06
Delamare Finance 6.067%	730,000	£	19.02.2029		818	0.01
Deutsche Bahn Finance FRN	10,000,000	€	31.12.2099		9,277	0.10
Deutsche Bahn Finance FRN	12,000,000	€	31.12.2099		9,588	0.10
Deutsche Bank FRN	8,400,000	£	12.12.2030		9,089	0.10
Deutsche Telekom International Finance 8.75%	49,458,000	US$	15.06.2030		55,351	0.58
Deutsche Telekom International Finance 9.25%	10,000,000	US$	01.06.2032		11,928	0.13
DWR Cymru Financing UK 2.375%	5,280,000	£	31.03.2034		4,471	0.05
E.ON International Finance 4.75%	2,000,000	£	31.01.2034		2,149	0.02
E.ON International Finance 6.25%	7,000,000	£	03.06.2030		8,394	0.09
Électricité de France 4.75%	9,000,000	US$	13.10.2035		7,482	0.08
Électricité de France 5.125%	3,850,000	£	22.09.2050		3,731	0.04
Électricité de France 5.5%	5,000,000	£	17.10.2041		5,229	0.05
Électricité de France 5.6%	3,000,000	US$	27.01.2040		2,650	0.03
Électricité de France 6%	27,000,000	US$	22.01.2114		23,606	0.25
Électricité de France 6%	25,800,000	£	23.01.2114		26,984	0.28
Électricité de France 6.125%	10,000,000	£	02.06.2034		11,606	0.12
EnBW International Finance 4%	11,869,000	€	24.01.2035		11,759	0.12
Enel FRN	8,112,000	€	31.12.2099		6,551	0.07
Enel Finance International 3.5%	16,262,000	US$	06.04.2028		13,730	0.14
Enel Finance International 5%	5,000,000	US$	15.06.2032		4,287	0.04
Enel Finance International 5.5%	12,000,000	US$	15.06.2052		9,821	0.10
Enel Finance International 7.5%	11,453,000	US$	14.10.2032		11,690	0.12
Enel Finance International 7.75%	15,000,000	US$	14.10.2052		16,048	0.17
Engie 5.95%	25,000,000	€	16.03.2111		29,029	0.30
Eni FRN	1,188,000	€	31.12.2099		990	0.01

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Eni FRN	10,000,000	€	31.12.2099		9,238	0.10
Eni FRN	20,000,000	€	31.12.2099		15,469	0.16
Eni 4.75%	20,000,000	US$	12.09.2028		18,109	0.19
ENW Finance 4.893%	7,460,000	£	24.11.2032		8,318	0.09
Expedia Group 3.25%	10,000,000	US$	15.02.2030		7,931	0.08
Fresenius Medical Care Finance III 3.75%	22,094,000	US$	15.06.2029		17,566	0.18
Gatwick Funding 2.5%	4,000,000	£	15.04.2032		3,798	0.04
Gatwick Funding 3.125%	27,000,000	£	28.09.2041		22,087	0.23
Gatwick Funding 3.25%	8,363,000	£	26.02.2048		6,430	0.07
Gatwick Funding 4.625%	6,000,000	£	27.03.2034		6,312	0.07
Gatwick Funding 5.75%	15,000,000	£	23.01.2039		16,960	0.18
General Motors 6.6%	18,000,000	US$	01.04.2036		16,904	0.18
General Motors Financial 3.6%	15,000,000	US$	21.06.2030		12,007	0.13
Goldman Sachs Group FRN	5,864,000	US$	15.03.2028		5,399	0.06
Goldman Sachs Group FRN	28,000,000	£	29.10.2029		28,721	0.30
Goldman Sachs Group 3.125%	10,000,000	£	25.07.2029		9,917	0.10
Goldman Sachs Group 4%	5,568,000	€	21.09.2029		5,469	0.06
Grainger 3%	9,453,000	£	03.07.2030		8,516	0.09
Greene King Finance 3.593%	4,036,122	£	15.03.2035		3,874	0.04
Greene King Finance 4.0643%	1,651,353	£	15.03.2035		1,615	0.02
Hammerson 3.5%	8,886,000	£	27.10.2025		8,889	0.09
Hammerson 6%	2,760,000	£	23.02.2026		2,895	0.03
Hammerson 7.25%	7,881,000	£	21.04.2028		8,316	0.09
Hammerson Ireland Finance 1.75%	5,009,000	€	03.06.2027		4,020	0.04
HCA 3.5%	10,000,000	US$	01.09.2030		8,157	0.09
HCA 3.5%	10,000,000	US$	15.07.2051		6,282	0.07
HCA 5.5%	20,000,000	US$	15.06.2047		17,093	0.18
Heathrow Funding 2.75%	15,000,000	£	13.10.2031		14,659	0.15
Heathrow Funding 4.625%	4,500,000	£	31.10.2046		4,398	0.05
Heathrow Funding 5.875%	10,000,000	£	13.05.2043		11,692	0.12

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Heathrow Funding 6.75%	5,000,000	£	03.12.2028		5,915	0.06
Heathrow Funding 7.075%	5,000,000	£	04.08.2028		6,093	0.06
HJ Heinz Finance UK 6.25%	12,000,000	£	18.02.2030		14,123	0.15
HP 4.2%	30,000,000	US$	15.04.2032		24,732	0.26
HSBC Holdings FRN	25,000,000	£	16.11.2034		29,973	0.31
Iberdrola International FRN	20,000,000	€	31.12.2099		18,026	0.19
Iberdrola International FRN	10,000,000	€	31.12.2099		8,170	0.09
ING Groep FRN	14,800,000	€	29.09.2028		12,335	0.13
ING Groep FRN	25,000,000	€	18.02.2029		20,295	0.21
ING Groep FRN	15,000,000	€	26.09.2029		14,139	0.15
ING Groep FRN	20,000,000	€	13.11.2030		17,839	0.19
ING Groep FRN	25,000,000	€	26.05.2031		22,832	0.24
ING Groep FRN	16,600,000	€	16.11.2032		13,651	0.14
ING Groep FRN	2,104,000	US$	28.03.2033		1,757	0.02
InterContinental Hotels Group 2.125%	7,380,000	£	24.08.2026		7,550	0.08
InterContinental Hotels Group 3.375%	16,000,000	£	08.10.2028		16,331	0.17
Intesa Sanpaolo FRN	15,000,000	US$	21.11.2033		14,431	0.15
Intesa Sanpaolo 2.625%	4,000,000	£	11.03.2036		3,162	0.03
Italy (Republic of) 2.45%	110,000,000	€	01.09.2033		94,594	0.99
Italy (Republic of) 2.875%	1,543,000	US$	17.10.2029		1,225	0.01
Italy (Republic of) 3.875%	50,000,000	US$	06.05.2051		32,827	0.34
JPMorgan Chase FRN	15,000,000	US$	14.09.2033		14,059	0.15
KBC Group FRN	20,700,000	€	07.12.2031		17,763	0.19
Koninklijke KPN 5.75%	12,500,000	£	17.09.2029		14,429	0.15
Kraft Heinz Foods 4.125%	5,000,000	£	01.07.2027		5,504	0.06
Kraft Heinz Foods 4.375%	7,000,000	US$	01.06.2046		5,569	0.06
LafargeHolcim Sterling Finance Netherlands 3%	5,000,000	£	12.05.2032		4,716	0.05
Lear 5.25%	24,000,000	US$	15.05.2049		19,351	0.20
Leeds Building Society FRN	10,000,000	£	25.04.2029		10,017	0.10
Legal & General Group FRN	6,454,000	US$	21.03.2047		5,559	0.06

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Legal & General Group FRN	30,000,000	£	14.11.2048		32,074	0.34
Legal & General Group FRN	21,000,000	£	26.11.2049		20,063	0.21
Legal & General Group FRN	8,000,000	£	01.11.2050		7,921	0.08
Legal & General Group FRN	5,000,000	£	27.06.2064		4,999	0.05
Legal & General Group FRN	5,000,000	£	31.12.2099		4,482	0.05
Lloyds Banking Group FRN	20,000,000	£	15.12.2031		19,412	0.20
Lloyds Banking Group FRN	10,713,000	£	02.06.2033		12,191	0.13
Lloyds Banking Group FRN	8,450,000	US$	15.11.2033		8,528	0.09
Lloyds Banking Group FRN	55,000,000	£	03.12.2035		48,320	0.51
Logicor Financing 2.75%	3,126,000	£	15.01.2030		2,755	0.03
Lowe's 3.75%	7,273,000	US$	01.04.2032		6,127	0.06
Lowe's 4.45%	8,000,000	US$	01.04.2062		5,981	0.06
LYB Finance 8.1%	3,724,000	US$	15.03.2027		3,777	0.04
Magallanes 5.141%	20,000,000	US$	15.03.2052		14,783	0.15
Magallanes 5.391%	40,000,000	US$	15.03.2062		29,464	0.31
Manchester Airport Group Funding 2.875%	3,000,000	£	31.03.2039		2,477	0.03
Manchester Airport Group Funding 2.875%	5,000,000	£	30.09.2044		3,809	0.04
Manchester Airport Group Funding 4.75%	25,000,000	£	31.03.2034		27,317	0.29
Mexico (United Mexican States) 2.125%	30,000,000	€	25.10.2051		16,862	0.18
Mexico (United Mexican States) 4%	60,000,000	€	15.03.2115		42,786	0.45
Mexico (United Mexican States) 5.625%	68,200,000	£	19.03.2114		58,881	0.62
Mitchells & Butlers Finance FRN	5,256,170	US$	15.12.2030		4,383	0.05
Mitchells & Butlers Finance FRN	1,026,185	£	15.12.2030		1,080	0.01
Mitchells & Butlers Finance FRN	7,020,628	£	15.12.2033		6,893	0.07
Molson Coors Beverage 4.2%	20,000,000	US$	15.07.2046		15,058	0.16
Molson Coors Beverage 5%	10,000,000	US$	01.05.2042		8,602	0.09
Mondeléz International 3.875%	6,596,000	£	06.03.2045		5,884	0.06
Morgan Stanley FRN	30,000,000	US$	16.09.2036		20,743	0.22
National Australia Bank FRN	30,000,000	US$	12.01.2037		22,177	0.23
National Gas Transmission 1.125%	12,000,000	£	14.01.2033		9,157	0.10

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
National Gas Transmission 1.375%	10,500,000	£	07.02.2031		8,903	0.09
National Gas Transmission 1.625%	5,000,000	£	14.01.2043		2,985	0.03
National Gas Transmission 5.75%	2,328,000	£	05.04.2035		2,652	0.03
National Grid 0.75%	9,103,000	€	01.09.2033		6,499	0.07
National Grid Electricity Distribution West Midlands 5.75%	2,041,000	£	16.04.2032		2,399	0.03
Nationwide Building Society FRN	5,340,000	£	07.12.2027		6,151	0.06
Nationwide Building Society FRN	11,250,000	US$	16.02.2028		9,295	0.10
NatWest Group FRN	16,230,000	£	09.11.2028		15,790	0.17
NatWest Group FRN	19,070,000	£	29.03.2029		19,575	0.21
NatWest Group FRN	19,679,000	€	14.09.2029		15,891	0.17
Next Group 3.625%	7,500,000	£	18.05.2028		7,904	0.08
Next Group 4.375%	10,150,000	£	02.10.2026		11,247	0.12
NIE Finance 5.875%	2,588,000	£	01.12.2032		3,106	0.03
NN Group FRN	24,459,000	€	01.03.2043		23,100	0.24
Nordea Bank Abp FRN	9,946,000	£	09.12.2032		9,173	0.10
Oracle 5.55%	35,000,000	US$	06.02.2053		30,449	0.32
Orange FRN	10,000,000	€	31.12.2099		8,381	0.09
Orange FRN	10,000,000	€	31.12.2099		7,939	0.08
Ørsted 5.125%	10,013,000	£	13.09.2034		11,303	0.12
Pearson Funding 3.75%	13,309,000	£	04.06.2030		13,612	0.14
Prosus 1.288%	22,950,000	€	13.07.2029		17,517	0.18
Quadient 2.25%	23,400,000	€	03.02.2025		22,109	0.23
Raiffeisen Bank International FRN	6,800,000	€	20.12.2032		6,543	0.07
Romania (Republic of) 1.75%	12,000,000	€	13.07.2030		8,819	0.09
Romania (Republic of) 2.875%	12,000,000	€	13.04.2042		7,064	0.07
Romania (Republic of) 3.375%	10,000,000	€	28.01.2050		6,062	0.06
Sampo FRN	11,000,000	€	03.09.2052		8,457	0.09
Santander UK Group Holdings FRN	10,000,000	US$	21.08.2026		8,195	0.09
Santander UK Group Holdings FRN	15,000,000	£	17.01.2029		14,591	0.15
Severn Trent Utilities Finance 4.625%	4,901,000	£	30.11.2034		5,265	0.06

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Severn Trent Utilities Finance 5.25%	3,523,000	£	04.04.2036		3,977	0.04
SK Hynix 2.375%	7,861,000	US$	19.01.2031		5,407	0.06
Société Générale FRN	10,000,000	US$	21.01.2026		8,481	0.09
Société Générale FRN	10,000,000	US$	19.01.2028		8,110	0.08
Société Générale FRN	20,000,000	€	12.06.2029		16,184	0.17
Société Générale FRN	10,000,000	€	24.11.2030		8,795	0.09
Société Générale FRN	5,000,000	€	30.06.2031		4,286	0.04
Société Générale FRN	24,326,000	US$	21.01.2033		17,887	0.19
Société Générale FRN	20,000,000	US$	08.07.2035		14,385	0.15
Société Générale FRN	10,000,000	US$	08.07.2035		7,214	0.08
Société Générale 4.25%	3,280,000	US$	19.08.2026		2,770	0.03
Société Générale 4.75%	8,329,000	US$	24.11.2025		7,208	0.08
Southern FRN	12,000,000	€	15.09.2081		9,503	0.10
Southern Water Services Finance 2.375%	15,000,000	£	28.05.2028		14,784	0.16
Southern Water Services Finance 3%	12,000,000	£	28.05.2037		10,037	0.11
Spain (Kingdom of) 0%	100,000,000	€	31.01.2028		86,661	0.91
Spain (Kingdom of) 1.45%	120,000,000	€	31.10.2071		57,958	0.61
Spain (Kingdom of) 1.85%	50,000,000	€	30.07.2035		41,867	0.44
Spain (Kingdom of) 2.35%	80,000,000	€	30.07.2033		73,047	0.77
SSE FRN	6,250,000	€	31.12.2099		5,644	0.06
Standard Chartered 6.301%	12,281,000	US$	09.01.2029		11,422	0.12
Stora Enso 7.25%	11,909,000	US$	15.04.2036		11,782	0.12
Swedbank FRN	7,564,000	€	23.08.2032		7,001	0.07
Swedbank FRN	9,232,000	£	15.11.2032		10,749	0.11
Swiss Re Finance FRN	4,300,000	€	04.06.2052		3,317	0.03
Telefónica Emisiones 5.213%	15,000,000	US$	08.03.2047		12,039	0.13
Telefónica Emisiones 5.52%	10,000,000	US$	01.03.2049		8,261	0.09
Telefónica Emisiones 7.045%	34,000,000	US$	20.06.2036		34,407	0.36
Telefónica Europe 8.25%	5,000,000	US$	15.09.2030		5,370	0.06
Telereal Securitisation FRN	5,656,000	£	10.12.2033		5,763	0.06

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Tesco Corporate Treasury Services 5.5%	7,194,000	£	27.02.2035		8,033	0.08
Thames Water Utilities Finance 2.625%	15,000,000	£	24.01.2032		13,883	0.15
Thames Water Utilities Finance 3.5%	1,000,000	£	25.02.2028		1,052	0.01
Thames Water Utilities Finance 4.375%	11,000,000	£	03.07.2034		11,367	0.12
Thames Water Utilities Finance 5.125%	10,000,000	£	28.09.2037		10,673	0.11
Thames Water Utilities Finance 5.5%	18,000,000	£	11.02.2041		19,795	0.21
Thames Water Utilities Finance 6.5%	3,000,000	£	09.02.2032		3,653	0.04
T-Mobile 3.375%	20,000,000	US$	15.04.2029		16,750	0.18
UniCredit FRN	2,000,000	US$	03.06.2032		1,439	0.01
UPM-Kymmene 7.45%	3,136,000	US$	26.11.2027		3,090	0.03
Verizon Communications 1.68%	10,000,000	US$	30.10.2030		7,380	0.08
Verizon Communications 2.355%	10,000,000	US$	15.03.2032		7,504	0.08
Verizon Communications 2.55%	10,000,000	US$	21.03.2031		7,789	0.08
Verizon Communications 4.125%	5,000,000	US$	16.03.2027		4,546	0.05
Verizon Communications 4.329%	24,000,000	US$	21.09.2028		21,741	0.23
Vonovia 1.625%	15,000,000	€	01.09.2051		6,848	0.07
Wells Fargo FRN	18,754,000	£	26.04.2028		19,549	0.21
Wells Fargo FRN	35,000,000	€	04.05.2030		30,156	0.32
Wells Fargo FRN	2,500,000	US$	25.04.2053		2,019	0.02
Wells Fargo 2.125%	32,500,000	£	24.09.2031		28,910	0.30
Wells Fargo 2.5%	6,000,000	£	02.05.2029		5,763	0.06
Wells Fargo 3.5%	4,920,000	£	12.09.2029		4,976	0.05
Wells Fargo 4.875%	10,000,000	£	29.11.2035		10,139	0.11
Welltower 4.5%	1,280,000	£	01.12.2034		1,260	0.01
Welltower 4.8%	10,194,000	£	20.11.2028		11,015	0.12
Wessex Water Services Finance 5.125%	4,391,000	£	31.10.2032		4,894	0.05
Westpac Banking FRN	15,190,000	US$	18.11.2036		10,860	0.11
Weyerhaeuser 7.375%	1,051,000	US$	15.03.2032		1,104	0.01
WPC Eurobond 0.95%	5,000,000	€	01.06.2030		3,690	0.04
WPC Eurobond 1.35%	20,290,000	€	15.04.2028		16,720	0.18

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
WPP Finance 2.875%	6,000,000	£	14.09.2046		4,156	0.04
WPP Finance 3.75%	24,987,000	£	19.05.2032		24,712	0.26
Yorkshire Building Society FRN	3,464,000	£	18.04.2025		3,817	0.04
Yorkshire Building Society FRN	9,718,000	£	15.09.2029		8,788	0.09
Yorkshire Water Finance 5.5%	5,837,000	£	28.04.2035		6,688	0.07
'BB' credit rated bonds					**1,008,519**	**10.58**
AIB Group FRN	10,000,000	€	19.11.2029		9,297	0.10
AIB Group FRN	35,000,000	€	30.05.2031		31,609	0.33
AT&T FRN	20,000,000	€	31.12.2099		18,589	0.19
B&M European Value Retail 4%	5,258,000	£	15.11.2028		5,056	0.05
Banco de Sabadell FRN	30,000,000	€	16.06.2028		24,369	0.26
Banco Santander FRN	5,000,000	€	31.12.2099		3,966	0.04
Banco Santander FRN	20,000,000	€	31.12.2099		14,912	0.16
Bank of Ireland Group FRN	25,000,000	€	11.08.2031		21,400	0.22
Barclays FRN	10,000,000	€	22.03.2031		8,606	0.09
Barclays FRN	7,000,000	£	14.11.2032		8,223	0.09
Barclays FRN	3,750,000	US$	23.09.2035		2,708	0.03
Belden 3.375%	4,101,000	€	15.07.2027		3,775	0.04
Belden 3.875%	3,920,000	€	15.03.2028		3,641	0.04
BNP Paribas FRN	11,000,000	US$	31.12.2099		7,411	0.08
BNP Paribas FRN	8,000,000	US$	31.12.2099		5,418	0.06
BNP Paribas FRN	10,000,000	€	31.12.2099		9,491	0.10
CaixaBank FRN	10,800,000	€	31.12.2099		6,955	0.07
Canpack Via Eastern PA Land Investment Holding 2.375%	6,744,000	€	01.11.2027		5,520	0.06
Cellnex Finance 2%	33,100,000	€	15.02.2033		25,374	0.27
Cellnex Finance 3.875%	5,000,000	US$	07.07.2041		3,409	0.04
Charter Communications Operating Via Charter Communications Operating Capital 3.7%	50,000,000	US$	01.04.2051		29,197	0.31
Charter Communications Operating Via Charter Communications Operating Capital 3.85%	50,000,000	US$	01.04.2061		28,110	0.29

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Charter Communications Operating Via Charter Communications Operating Capital 5.25%	20,000,000	US$	01.04.2053		14,813	0.16
Colombia (Republic of) 5%	40,000,000	US$	15.06.2045		25,569	0.27
Commerzbank FRN	4,100,000	£	28.02.2033		4,671	0.05
Côte d'Ivoire (Republic of) 6.625%	10,000,000	€	22.03.2048		6,953	0.07
Coventry Building Society FRN	15,470,000	£	31.12.2099		15,459	0.16
Daily Mail & General Trust 6.375%	4,150,000	£	21.06.2027		4,305	0.04
Derichebourg 2.25%	3,506,000	€	15.07.2028		3,056	0.03
Deutsche Bank FRN	4,600,000	€	24.06.2032		3,990	0.04
DT Midstream 4.375%	10,103,000	US$	15.06.2031		7,963	0.08
Ecopetrol 8.875%	7,590,000	US$	13.01.2033		6,983	0.07
EDP - Energias de Portugal FRN	10,000,000	€	14.03.2082		7,436	0.08
Energean Israel Finance 5.375%	4,736,842	US$	30.03.2028		3,915	0.04
EQM Midstream Partners 5.5%	10,000,000	US$	15.07.2028		8,293	0.09
Eurofins Scientific FRN	6,000,000	€	31.12.2099		5,538	0.06
Fastighets Balder 1.875%	8,827,000	€	14.03.2025		7,835	0.08
Fastighets Balder 1.875%	6,398,000	€	23.01.2026		5,402	0.06
Ford Motor 4.75%	10,000,000	US$	15.01.2043		6,859	0.07
Ford Motor 5.291%	7,629,000	US$	08.12.2046		5,602	0.06
Ford Motor Credit 4.535%	5,000,000	£	06.03.2025		5,474	0.06
Ford Motor Credit 5.113%	20,000,000	US$	03.05.2029		17,041	0.18
Grupo KUO 5.75%	10,750,000	US$	07.07.2027		8,972	0.09
Iliad 1.875%	17,400,000	€	11.02.2028		14,658	0.15
Iliad 2.375%	15,000,000	€	17.06.2026		13,795	0.14
INEOS Quattro Finance 2 2.5%	6,000,000	€	15.01.2026		5,385	0.06
ING Groep FRN	3,488,000	US$	31.12.2099		2,392	0.02
Intesa Sanpaolo FRN	3,292,000	US$	01.06.2032		2,173	0.02
Intesa Sanpaolo FRN	12,817,000	€	31.12.2099		11,000	0.12
Intesa Sanpaolo 5.148%	2,427,000	£	10.06.2030		2,259	0.02
Intesa Sanpaolo 8.505%	12,000,000	£	20.09.2032		13,429	0.14
Intrum 3.5%	5,800,000	€	15.07.2026		4,839	0.05

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
John Lewis 4.25%	14,000,000	£	18.12.2034		10,406	0.11
KB Home 4.8%	10,000,000	US$	15.11.2029		8,409	0.09
La Banque Postale FRN	9,000,000	€	02.08.2032		7,338	0.08
Lloyds Banking Group FRN	31,776,000	£	29.12.2049		32,292	0.34
Lloyds Banking Group FRN	4,000,000	£	31.12.2099		4,053	0.04
Macedonia (Republic of) 1.625%	10,576,000	€	10.03.2028		8,408	0.09
Macy's Retail Holdings 5.875%	11,622,000	US$	15.03.2030		9,397	0.10
Mahle 2.375%	12,000,000	€	14.05.2028		9,225	0.10
Marston's Issuer FRN	1,568,000	£	15.07.2032		1,580	0.02
Millicom International Cellular 4.5%	7,401,000	US$	27.04.2031		5,415	0.06
Millicom International Cellular 6.25%	4,153,500	US$	25.03.2029		3,475	0.04
Mitchells & Butlers Finance 5.965%	179,102	£	15.12.2025		201	0.00
Mitchells & Butlers Finance 6.013%	1,603,049	£	15.12.2030		1,706	0.02
Morocco (Kingdom of) 4%	10,000,000	US$	15.12.2050		6,288	0.07
Nationwide Building Society FRN	5,569,000	£	31.12.2099		5,700	0.06
Nationwide Building Society FRN	20,000,000	£	31.12.2099		18,367	0.19
NatWest Group FRN	8,348,000	£	14.08.2030		8,798	0.09
NatWest Group FRN	25,000,000	£	28.11.2031		23,964	0.25
NatWest Group FRN	25,000,000	US$	28.11.2035		17,470	0.18
Paraguay (Republic of) 5.4%	10,000,000	US$	30.03.2050		7,889	0.08
Pilgrim's Pride 3.5%	1,262,000	US$	01.03.2032		933	0.01
Rand Parent 8.5%	15,807,000	US$	15.02.2030		13,624	0.14
Repsol International Finance FRN	10,000,000	€	31.12.2099		9,443	0.10
Rolls-Royce 1.625%	30,000,000	€	09.05.2028		24,948	0.26
Rolls-Royce 5.75%	5,000,000	£	15.10.2027		5,439	0.06
Serbia (Republic of) 1.65%	25,000,000	€	03.03.2033		16,547	0.17
Serbia (Republic of) 2.05%	20,000,000	€	23.09.2036		12,133	0.13
Solvay Finance FRN	5,000,000	€	29.11.2049		5,009	0.05
Solvay Finance FRN	20,000,000	€	29.12.2049		19,950	0.21
South Africa (Republic of) 5.75%	12,000,000	US$	30.09.2049		8,100	0.08

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Southwestern Energy 4.75%	7,401,000	US$	01.02.2032		5,908	0.06
Telefónica Europe FRN	1,300,000	€	31.12.2099		1,022	0.01
Telefónica Europe FRN	5,000,000	€	31.12.2099		4,164	0.04
Time Warner Cable 5.75%	10,000,000	£	02.06.2031		10,975	0.11
UBS Group FRN	30,000,000	US$	31.12.2099		19,036	0.20
UniCredit FRN	6,000,000	€	23.09.2029		5,561	0.06
UniCredit FRN	35,000,000	€	15.01.2032		29,875	0.31
United Airlines 4.625%	4,136,000	US$	15.04.2029		3,382	0.04
Vmed O2 UK Financing I 3.25%	21,000,000	€	31.01.2031		17,153	0.18
Vmed O2 UK Financing I 4%	25,000,000	£	31.01.2029		23,516	0.25
Yum! Brands 4.625%	15,473,000	US$	31.01.2032		13,036	0.14
Yum! Brands 5.375%	8,174,000	US$	01.04.2032		7,199	0.08
Yum! Brands 6.875%	6,273,000	US$	15.11.2037		6,086	0.06
ZF Europe Finance 2.5%	11,600,000	€	23.10.2027		10,133	0.11
ZF Europe Finance 3%	10,000,000	€	23.10.2029		8,452	0.09
ZF Finance 2.75%	7,000,000	€	25.05.2027		6,260	0.07
ZF Finance 3.75%	8,000,000	€	21.09.2028		7,159	0.07
'B' credit rated bonds					**273,890**	**2.87**
AIB Group FRN	6,000,000	€	31.12.2099		5,469	0.06
Altice France 4%	8,537,000	€	15.07.2029		6,428	0.07
Ardagh Packaging Finance Via Ardagh Holdings USA 2.125%	28,000,000	€	15.08.2026		24,395	0.26
Avantor Funding 3.875%	4,083,000	€	15.07.2028		3,823	0.04
Bank of Ireland Group FRN	9,000,000	€	31.12.2099		8,691	0.09
Barclays FRN	6,732,000	£	31.12.2099		6,806	0.07
Bellis Acquisition 3.25%	6,000,000	£	16.02.2026		5,613	0.06
Cheplapharm Arzneimittel 4.375%	7,229,000	€	15.01.2028		6,741	0.07
Cheplapharm Arzneimittel 5.5%	4,335,000	US$	15.01.2028		3,561	0.04
CHS Via Community Health Systems 4.75%	6,000,000	US$	15.02.2031		4,048	0.04
CPUK Finance 4.5%	7,313,000	£	28.08.2027		7,056	0.07
CSC Holdings 5.375%	8,000,000	US$	01.02.2028		5,966	0.06

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
CSC Holdings 5.5%	8,057,000	US$	15.04.2027		6,236	0.06
Cullinan Holdco 4.625%	4,311,000	€	15.10.2026		3,819	0.04
Deuce FinCo 5.5%	12,220,000	£	15.06.2027		11,643	0.12
DISH DBS 5.25%	6,192,000	US$	01.12.2026		4,449	0.05
DISH DBS 5.75%	6,192,000	US$	01.12.2028		4,166	0.04
DISH Network 11.75%	8,792,000	US$	15.11.2027		7,696	0.08
Eurobank FRN	11,480,000	€	26.01.2029		11,188	0.12
Gruenenthal 3.625%	2,582,000	€	15.11.2026		2,453	0.02
Iliad Holding 5.125%	6,639,000	€	15.10.2026		6,404	0.07
INEOS Quattro Finance 1 3.75%	4,000,000	€	15.07.2026		3,474	0.04
International Consolidated Airlines Group 3.75%	18,000,000	€	25.03.2029		14,983	0.16
NatWest Group FRN	15,000,000	£	31.12.2099		12,567	0.13
SCIH Salt Holdings 4.875%	6,586,000	US$	01.05.2028		5,339	0.06
Sherwood Financing 6%	10,117,000	£	15.11.2026		9,586	0.10
Staples 7.5%	10,000,000	US$	15.04.2026		7,969	0.08
Telecom Italia 5.25%	30,000,000	€	17.03.2055		24,500	0.26
Telecom Italia Capital 7.721%	5,000,000	US$	04.06.2038		4,271	0.04
Telecom Italia Finance 7.75%	15,000,000	€	24.01.2033		16,118	0.17
TI Automotive Finance 3.75%	12,000,000	€	15.04.2029		9,186	0.10
Vertical Midco 4.375%	10,000,000	€	15.07.2027		9,068	0.09
Vertiv Group Corp 4.125%	11,845,000	US$	15.11.2028		9,595	0.10
VTR Comunicaciones 5.125%	972,000	US$	15.01.2028		583	0.01
'CCC' credit rated bonds					**43,775**	**0.46**
Altice France Holding 6%	10,000,000	US$	15.02.2028		5,739	0.06
Bausch Health 11%	5,638,000	US$	30.09.2028		3,736	0.04
Bausch Health 14%	1,122,000	US$	15.10.2030		585	0.01
CSC Holdings 5.75%	10,000,000	US$	15.01.2030		4,842	0.05
Intu Metrocentre Finance 8.75%	12,627,123	£	06.12.2028		6,301	0.07
Selecta Group 8%	621,066	€	01.04.2026		548	0.00
SGS Finance 9%	5,414,196	£	17.03.2033		2,496	0.03

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'CCC' credit rated bonds (continued)						
Sigma Holdco 5.75%	14,000,000	€	15.05.2026		11,236	0.12
Staples 10.75%	6,292,000	US$	15.04.2027		4,119	0.04
Trivium Packaging Finance 8.5%	5,000,000	US$	15.08.2027		4,173	0.04
'C' credit rated bonds						
Bausch Health 5%	10,000,000	US$	30.01.2028		**3,560**	**0.04**
'D' credit rated bonds						
Intu Debenture 5.562%	8,318,000	£	31.12.2027		**4,011**	**0.04**
Bonds with no credit rating					**2,895**	**0.03**
1375209 BC 9%	3,179,000	US$	30.01.2028		2,892	0.03
K2016470219 South Africa FRN[a]	842,926	US$	31.12.2049		3	0.00
Debt derivatives					**151,655**	**1.59**
Credit default swaps					**16,691**	**0.17**
American Airlines Group Jun 2027	4,901,961	US$			(630)	0.00
Brazil (Federative Republic of) Dec 2027	100,000,000	US$			4,112	0.04
Markit CDX North American High Yield Series 39 5 Year Dec 2027	880,000,000	US$			4,932	0.05
Markit CDX North American Investment Grade Series 37 5 Year Dec 2026	200,000,000	US$			(2,408)	(0.03)
Markit CDX North American Investment Grade Series 38 5 Year Jun 2027	300,000,000	US$			(3,575)	(0.04)
Markit CDX North American Investment Grade Series 39 5 Year Dec 2027	100,000,000	US$			(1,015)	(0.01)
Markit CDX North American Investment Grade Series 40 5 Year Jun 2028	100,000,000	US$			(987)	(0.01)
Markit iTraxx Europe Crossover Series 39 5 Year Jun 2028	800,000,000	€			16,064	0.17
Markit iTraxx Europe Senior Financials Series 38 5 Year Dec 2027	500,000,000	€			(1,349)	(0.01)
Markit iTraxx Europe Senior Financials Series 39 5 Year Jun 2028	70,000,000	€			11	0.00
Markit iTraxx Europe Series 38 5 Year Dec 2027	300,000,000	€			(2,533)	(0.03)
Markit iTraxx Europe Sub Financials Series 39 5 Year Jun 2028	100,000,000	€			4,069	0.04

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt derivatives (continued)						
Interest rate swaps					**103,764**	**1.09**
Pay Var. Receive 1.5343% Aug 2027	100,000,000	€			(6,099)	(0.06)
Pay Var. Receive 1.5368% Aug 2027	100,000,000	€			(6,087)	(0.06)
Pay Var. Receive 1.5533% Aug 2027	100,000,000	€			(6,022)	(0.06)
Pay Var. Receive 2.2663% Sep 2027	100,000,000	€			(2,801)	(0.03)
Pay Var. Receive 2.5888% Nov 2027	100,000,000	€			(2,366)	(0.03)
Pay Var. Receive 1.1208% Mar 2032	50,000,000	€			(7,547)	(0.08)
Pay Var. Receive 1.3078% Apr 2032	50,000,000	€			(6,624)	(0.07)
Pay Var. Receive 1.6363% Apr 2032	25,000,000	€			(2,629)	(0.03)
Pay Var. Receive 1.5708% Apr 2032	50,000,000	€			(5,538)	(0.06)
Pay Var. Receive 1.5673% Apr 2032	50,000,000	€			(5,557)	(0.06)
Pay Var. Receive 1.7168% May 2032	50,000,000	€			(4,910)	(0.05)
Pay Var. Receive 1.7378% May 2032	50,000,000	€			(4,818)	(0.05)
Pay Var. Receive 1.7623% May 2032	50,000,000	€			(4,718)	(0.05)
Pay Var. Receive 2.093% Jun 2032	150,000,000	€			(9,985)	(0.11)
Pay Var. Receive 2.6008% Jun 2032	100,000,000	€			(2,173)	(0.02)
Pay Var. Receive 2.1783% Jul 2032	75,000,000	€			(4,484)	(0.05)
Pay 1.992% Receive Var. Mar 2051	100,000,000	US$			17,832	0.19
Pay 1.4177% Receive Var. Sep 2051	50,000,000	US$			14,489	0.15
Pay 1.4837% Receive Var. Sep 2051	50,000,000	US$			13,905	0.15
Pay 1.3817% Receive Var. Sep 2051	50,000,000	US$			14,792	0.16
Pay 1.4817% Receive Var. Nov 2051	50,000,000	US$			13,837	0.15
Pay 1.523% Receive Var. Nov 2051	100,000,000	US$			27,364	0.29
Pay 1.4622% Receive Var. Nov 2051	50,000,000	US$			14,213	0.15
Pay 1.5577% Receive Var. Nov 2051	60,000,000	US$			16,034	0.17
Pay 1.5707% Receive Var. Nov 2051	60,000,000	US$			15,894	0.17
Pay 1.7577% Receive Var. Mar 2052	50,000,000	US$			11,032	0.12
Pay 2.718% Receive Var. Oct 2052	132,000,000	€			(4,372)	(0.05)
Pay 2.881% Receive Var. Nov 2052	40,677,966	£			3,570	0.04
Pay 2.907% Receive Var. Nov 2052	40,677,966	£			3,344	0.03
Pay 2.92% Receive Var. Nov 2052	77,288,136	£			6,137	0.06

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt derivatives (continued)						
Interest rate swaps (continued)						
Pay 2.925% Receive Var. Nov 2052	40,677,966	£			3,186	0.03
Pay 2.937% Receive Var. Nov 2052	40,677,966	£			3,081	0.03
Pay 2.799% Receive Var. Dec 2052	100,000,000	US$			4,650	0.05
Pay 2.266% Receive Var. Dec 2052	100,000,000	€			5,993	0.06
Pay 2.33% Receive Var. Dec 2052	100,000,000	€			4,693	0.05
Pay 3.363% Receive Var. Jan 2053	40,000,000	£			(630)	(0.01)
Pay 3.395% Receive Var. Jan 2053	40,000,000	£			(904)	(0.01)
Pay 3.0565% Receive Var. Jan 2053	50,000,000	US$			(43)	0.00
Pay 3.549% Receive Var. Feb 2053	35,000,000	£			(1,975)	(0.02)
Interest rate futures					**31,200**	**0.33**
Deutscher Bund 10 year Futures	(300)	€	08.06.2023	239	1,565	0.02
Euro BTP Futures	2,405	€	08.06.2023	2,234	10,690	0.11
Euro OAT Futures	1,008	€	08.06.2023	936	4,274	0.05
US Treasury Notes 10 year Futures	5,100	US$	21.06.2023	4,755	15,679	0.16
US Ultra Bond Futures	2,150	US$	21.06.2023	1,830	(2,858)	(0.03)
UK Treasury Notes Futures	(1,000)	£	28.06.2023	1,204	1,850	0.02
Currency					**14,122**	**0.14**
Forward currency contracts					**14,122**	**0.14**
Bought for € 770,463,403.47, Sold for £ 681,187,175.82			12.04.2023		(4,818)	(0.05)
Bought for € 1,042,391,041.23, Sold for US$ 1,121,865,407.77			12.04.2023		10,816	0.11
Bought for £ 129,654,894.14, Sold for € 146,703,687.30			12.04.2023		861	0.01
Bought for US$ 435,860,658.58, Sold for € 405,319,238.16			12.04.2023		(4,538)	(0.05)
Bought for CHF 3,904,272.42, Sold for € 3,971,564.19			19.04.2023		(54)	0.00
Bought for € 31,930,838.35, Sold for CHF 31,155,809.63			19.04.2023		669	0.01
Bought for € 754,543,972.42, Sold for £ 677,452,832.69			24.05.2023		(15,291)	(0.16)
Bought for € 1,950,906,061.59, Sold for US$ 2,111,841,612.01			24.05.2023		13,684	0.14
Bought for £ 14,099,668.90, Sold for € 16,001,167.66			24.05.2023		21	0.00
Bought for € 902,183,801.52, Sold for £ 799,524,083.33			14.06.2023		(5,626)	(0.06)
Bought for € 899,617,869.07, Sold for US$ 961,796,861.44			14.06.2023		18,398	0.19
Portfolio of investments					**8,851,213**	**92.89**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Cash equivalents					**447,312**	**4.69**
'AAA' rated money market funds						
JPMorgan Liquidity Funds - EUR Liquidity LVNAV Fund	19,694	€			194,381	2.04
Morgan Stanley Liquidity Funds - Euro Liquidity Fund Class 'D'	19,674	€			194,383	2.04
Northern Trust Global Funds - Euro Liquidity Fund Class 'D' (Accumulation)	60,427,391	€			58,548	0.61
Share class hedging					**(9,918)**	**(0.11)**
Bought for AUD 2,096,073.34, Sold for € 1,300,116.07			19.04.2023		(10)	0.00
Bought for CHF 104,580,094.34, Sold for € 107,548,780.04			19.04.2023		(2,611)	(0.03)
Bought for € 69,557.62, Sold for AUD 112,021.72			19.04.2023		0	0.00
Bought for € 4,998,990.73, Sold for CHF 4,940,596.45			19.04.2023		41	0.00
Bought for € 368,488.53, Sold for £ 324,922.59			19.04.2023		0	0.00
Bought for € 26,385.00, Sold for HKD 223,508.64			19.04.2023		0	0.00
Bought for € 501,308.21, Sold for SGD 723,026.25			19.04.2023		0	0.00
Bought for € 7,730.99, Sold for ZAR 151,072.87			19.04.2023		0	0.00
Bought for £ 10,151,401.85, Sold for € 11,466,722.58			19.04.2023		81	0.00
Bought for HKD 9,048,001.39, Sold for € 1,078,286.93			19.04.2023		(16)	0.00
Bought for SGD 21,093,283.48, Sold for € 14,603,366.75			19.04.2023		(22)	0.00
Bought for ZAR 4,853,953.28, Sold for € 248,487.43			19.04.2023		2	0.00
Bought for BRL 491,226.73, Sold for € 88,017.69			03.05.2023		0	0.00
Bought for € 37.54, Sold for BRL 211.15			03.05.2023		0	0.00
Bought for € 175,111,255.83, Sold for US$ 188,631,346.22			24.05.2023		2,075	0.02
Bought for US$ 1,597,157,375.89, Sold for € 1,474,555,745.20			24.05.2023		(9,458)	(0.10)
Total portfolio					**9,288,607**	**97.47**
Net other assets/(liabilities)					239,349	2.53
Net assets					**9,527,956**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	28,276	0.30
Debt securities	8,657,160	90.86
Swap contracts	223,234	2.35
Unrealised gains on futures contracts	34,058	0.36
Unrealised gains on forward currency contracts	46,648	0.48
Total Investment assets	**8,989,376**	**94.35**
Investment liabilities		
Swap contracts	(102,779)	(1.09)
Unrealised losses on futures contracts	(2,858)	(0.03)
Unrealised losses on forward currency contracts	(42,444)	(0.45)
Total Investment liabilities	**(148,081)**	**(1.57)**
Total portfolio	**8,841,295**	**92.78**
Cash equivalents	**447,312**	**4.69**
Net other assets/(liabilities)	**239,349**	**2.53**
Net assets	**9,527,956**	**100.00**

[a] Fair valued.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures				
	Swaps €'000	Forward currency contracts €'000	Futures €'000	Collateral held as cash €'000	Collateral held as security €'000
Bank of America Merrill Lynch	0	0	11,198	0	0
Barclays Bank London	174,484,681	0	0	343,077	25,000
BNP Paribas	0	2,766,830	0	0	25,175
HSBC Bank Plc	0	3,437,087	0	0	0
JP Morgan London	0	734,735	0	0	0
Merrill Lynch Pierce Fenner + Smith Inc	0	520,500	0	0	1,614
National Australia Bank Ltd	0	137,072	0	0	1,918
Standard Chartered Bank	0	1,647,543	0	0	0
State Street Bank and Trust Company	0	3,574,297	0	0	4,353
State Street Bank and Trust Company, London Branch	0	3,610,107	0	0	0
UBS AG London	0	986,593	0	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Australian dollar						
Class 'A-H' Accumulation	-3.8	+2.1	n/a	-0.8	n/a	26.04.19
Class 'A-H M' Distribution	-3.8	+2.2	n/a	-0.8	n/a	26.04.19
Class 'C-H' Accumulation	-3.3	+2.7	n/a	-0.3	n/a	26.04.19
Class 'C-H M' Distribution	-3.3	+2.7	n/a	-0.3	n/a	26.04.19

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-5.2	+1.3	-1.0	+4.2	20.04.07	07.09.18
Class 'A' Distribution	-5.2	+1.3	-1.0	+1.2	12.07.13	07.09.18
Class 'B' Accumulation	-5.6	+0.8	-1.5	+0.1	11.09.15	07.09.18
Class 'B' Distribution	-5.6	+0.8	-1.5	+0.2	11.09.15	07.09.18
Class 'C' Accumulation	-4.7	+1.9	-0.5	+4.7	20.04.07	07.09.18
Class 'C' Distribution	-4.7	+1.9	-0.5	+1.1	08.08.14	07.09.18
Class 'CI' Accumulation	-4.6	+1.9	-0.4	+4.7	20.04.07	07.09.18
Class 'CI' Distribution	-4.6	+1.9	-0.6	+1.0	08.08.14	17.12.18
Class 'CI-H' Accumulation	+4.8	n/a	n/a	+12.2	27.04.18	04.09.20
Class 'J' Accumulation	-4.5	+2.0	n/a	-0.4	27.04.18	07.09.18
Class 'J' Distribution	-4.5	+2.0	n/a	-0.5	n/a	28.05.19
Class 'JI' Accumulation	-4.5	+2.0	n/a	-0.4	27.04.18	05.10.18
Class 'JI' Distribution	-4.5	+2.0	n/a	-0.4	n/a	28.05.19
Hong Kong dollar						
Class 'A-H' Accumulation	-3.1	+2.8	n/a	+0.2	n/a	26.04.19
Class 'A-H M' Distribution	-3.1	+2.8	n/a	+0.2	n/a	26.04.19
Class 'C-H' Accumulation	-2.6	+3.3	n/a	+0.7	n/a	26.04.19
Class 'C-H M' Distribution	-2.6	+3.3	n/a	+0.8	n/a	26.04.19
Singapore dollar						
Class 'A-H' Accumulation	-2.9	+2.8	+0.7	+2.0	16.01.15	07.09.18
Class 'A-H M' Distribution	-2.9	+2.8	+0.7	+2.0	16.01.15	07.09.18
Class 'A-H M F1' Distribution	-2.9	n/a	n/a	-2.0	n/a	19.11.20
Class 'C-H' Accumulation	-2.5	+3.3	+1.2	+2.5	16.01.15	07.09.18
Class 'J-H' Accumulation	-2.3	+3.4	n/a	+1.0	n/a	28.05.19
Class 'J-H M' Distribution	-2.3	+3.4	n/a	+1.0	n/a	28.05.19
Class 'JI-H' Accumulation	-2.2	+3.5	n/a	+0.4	n/a	05.07.19
Class 'JI-H M' Distribution	-2.3	+3.5	n/a	+0.5	n/a	05.07.19
South African rand						
Class 'A-H M F2' Distribution	+0.4	n/a	n/a	-1.9	n/a	23.09.21
Class 'X-H M F2' Distribution	-0.6	n/a	n/a	-2.9	n/a	23.09.21

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Sterling						
Class 'A-H' Accumulation	-3.8	+2.2	n/a	-0.9	n/a	05.07.19
Class 'A-H' Distribution	-3.7	+2.3	n/a	-0.9	n/a	05.07.19
Class 'C-H' Accumulation	-3.3	+2.8	n/a	+0.2	n/a	14.03.19
Class 'C-H' Distribution	-3.2	+2.8	n/a	+0.4	n/a	22.02.19
Class 'CI-H' Distribution	-3.2	+2.9	n/a	+0.3	n/a	29.03.19
Class 'J-H' Accumulation	-3.1	+2.9	n/a	+0.4	n/a	28.05.19
Class 'J-H' Distribution	-3.1	+2.9	n/a	+0.4	n/a	28.05.19
Class 'JI-H' Accumulation	-3.1	+3.0	n/a	+0.4	n/a	28.05.19
Class 'JI-H' Distribution	-3.1	+3.0	n/a	+0.4	n/a	28.05.19
Swiss franc						
Class 'A-H' Accumulation	-5.8	+0.9	-1.3	+1.3	28.09.12	07.09.18
Class 'A-H' Distribution	-5.9	+0.9	-1.4	-0.1	16.01.15	07.09.18
Class 'C-H' Accumulation	-5.3	+1.5	-0.8	+1.9	28.09.12	07.09.18
Class 'C-H' Distribution	-5.4	+1.4	-0.9	+0.4	16.01.15	07.09.18
Class 'CI-H' Accumulation	-5.3	+1.5	-0.8	+1.9	28.09.12	07.09.18
Class 'J-H' Accumulation	-5.2	+1.6	n/a	-0.8	27.04.18	07.09.18
Class 'J-H' Distribution	-5.2	+1.6	n/a	-1.4	n/a	15.10.19

M&G (Lux) Optimal Income Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A-H' Accumulation	-2.4	+3.0	+1.2	+4.0	01.10.10	07.09.18
Class 'A-H' Distribution	-2.4	+3.0	+1.2	+2.3	08.08.14	07.09.18
Class 'A-H M' Distribution	-2.4	+3.0	+1.2	+2.3	16.01.15	07.09.18
Class 'A-H M F1' Distribution	-2.4	n/a	n/a	-1.8	n/a	19.11.20
Class 'A-H M F6' Distribution	-2.3	n/a	n/a	+3.2	n/a	03.04.20
Class 'C-H' Accumulation	-2.0	+3.5	+1.7	+4.5	01.10.10	07.09.18
Class 'C-H' Distribution	-2.0	+3.5	+1.7	+2.8	08.08.14	07.09.18
Class 'C-H M' Distribution	n/a	n/a	n/a	+4.6	n/a	16.11.22
Class 'CI-H' Accumulation	-1.8	+3.6	+1.7	+4.6	01.10.10	07.09.18
Class 'CI-H' Distribution	-1.9	+3.5	+1.5	+2.7	08.08.14	21.01.19
Class 'J-H' Accumulation	-1.8	+3.7	n/a	+1.7	27.04.18	07.09.18
Class 'J-H' Distribution	-1.8	+3.6	n/a	+1.7	27.04.18	07.09.18
Class 'J-H M' Distribution	-1.8	+3.7	n/a	+1.4	n/a	28.05.19
Class 'JI-H' Accumulation	-1.7	+3.7	n/a	+1.7	27.04.18	05.11.18
Class 'JI-H' Distribution	-1.7	+3.7	n/a	+1.4	n/a	28.05.19
Class 'JI-H M' Distribution	-1.7	+3.7	n/a	+1.4	n/a	28.05.19
Class 'X-H' Accumulation	-3.4	n/a	n/a	-6.1	n/a	23.11.21
Class 'X-H M' Distribution	-3.4	n/a	n/a	-1.0	n/a	24.06.20
Class 'X-H M F' Distribution	-3.4	n/a	n/a	-2.8	n/a	19.11.20

[a] Sub-fund performance before the launch of the sub-fund on 5 September 2018 is that of the relevant Merged Share Class of the M&G Optimal Income Fund, which includes UK taxes but excludes entry and exit charges. The M&G Optimal Income Fund is a UK authorised sub-fund which launched on 8 December 2006 and its non-Sterling share classes merged into M&G (Lux) Optimal Income Fund on 8 March 2019.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Australian dollar		**AU$**	**AU$**	**AU$**
Class 'A-H' Accumulation	181,801.384	9.6762	10.0613	10.5519
Class 'A-H M' Distribution	17,065.000	8.7757	9.5106	10.1653
Class 'C-H' Accumulation	4,466.000	9.8718	10.2112	10.6559
Class 'C-H M' Distribution	4,467.000	8.9515	9.6517	10.2642
Euro		**€**	**€**	**€**
Class 'A' Accumulation	553,899,023.459	9.6764	10.2026	10.7634
Class 'A' Distribution	80,595,528.972	8.6163	9.4058	10.0875
Class 'B' Accumulation	18,631,969.384	9.4621	10.0267	10.6309
Class 'B' Distribution	5,444,372.445	8.4230	9.2413	9.9610
Class 'C' Accumulation	91,509,747.149	9.9021	10.3884	10.9047
Class 'C' Distribution	8,640,839.060	8.8159	9.5750	10.2175
Class 'CI' Accumulation	35,161,978.678	9.9222	10.4056	10.9185
Class 'CI' Distribution	1,559,120.000	9.1005	9.8803	10.5393
Class 'CI-H' Accumulation	6,585.443	13.4403	12.8262	9.8273
Class 'J' Accumulation	2,575,570.472	9.9721	10.4448	10.9475
Class 'J' Distribution	385,015.254	9.0017	9.7609	10.4003
Class 'JI' Accumulation	45,041,121.229	9.9682	10.4368	10.9349
Class 'JI' Distribution	145,324.648	9.0181	9.7750	10.4110
Hong Kong dollar		**HK$**	**HK$**	**HK$**
Class 'A-H' Accumulation	80,984.556	100.7000	103.9615	108.8004
Class 'A-H M' Distribution	2,479.300	91.4868	98.4390	104.9670
Class 'C-H' Accumulation	2,479.400	102.8367	105.6113	109.9764
Class 'C-H M' Distribution	2,479.500	93.3299	99.9185	105.9596

M&G (Lux) Optimal Income Fund

Financial highlights

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A-H' Accumulation	301,971.262	10.4228	10.7355	11.2207
Class 'A-H M' Distribution	1,178,907.929	9.2621	9.9474	10.5945
Class 'A-H M F1' Distribution	200.000	86.4375	93.1251	101.3129
Class 'C-H' Accumulation	166,475.529	10.6601	10.9287	11.3654
Class 'J-H' Accumulation	135,885.712	10.4039	10.6470	11.0498
Class 'J-H M' Distribution	313,181.258	9.3856	10.0141	10.5939
Class 'JI-H' Accumulation	17,492.605	10.1686	10.4025	10.7916
Class 'JI-H M' Distribution	8,004.000	9.1766	9.7864	10.3483
South African rand		**ZAR**	**ZAR**	**ZAR**
Class 'A-H M F2' Distribution	13,948.538	125.7268	138.6856	n/a
Class 'X-H M F2' Distribution	23,730.556	123.6750	137.8806	n/a
Sterling		**£**	**£**	**£**
Class 'A-H' Accumulation	420,353.473	9.6617	10.0410	10.5207
Class 'A-H' Distribution	18,974.037	8.9518	9.6308	10.2552
Class 'C-H' Accumulation	152,987.267	10.1002	10.4429	10.8868
Class 'C-H' Distribution	210,624.058	9.3373	9.9922	10.5870
Class 'CI-H' Distribution	19,395.017	9.2946	9.9436	10.5308
Class 'J-H' Accumulation	45,177.864	10.1446	10.4707	10.8988
Class 'J-H' Distribution	88,857.858	9.3067	9.9445	10.5219
Class 'JI-H' Accumulation	4,610.000	10.1635	10.4871	10.9107
Class 'JI-H' Distribution	65,885.635	9.3176	9.9520	10.5237
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,499,964.362	9.5113	10.0996	10.6821
Class 'A-H' Distribution	360,777.819	8.4629	9.3111	10.0105
Class 'C-H' Accumulation	2,933,869.406	9.7391	10.2882	10.8240
Class 'C-H' Distribution	1,405,733.786	8.6597	9.4769	10.1389
Class 'CI-H' Accumulation	25,547.584	9.7548	10.3006	10.8371
Class 'J-H' Accumulation	2,606,742.659	9.8050	10.3406	10.8624
Class 'J-H' Distribution	783,822.862	8.7075	9.5140	10.1632

M&G (Lux) Optimal Income Fund

Financial highlights

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	50,937,810.399	10.6296	10.8929	11.3826
Class 'A-H' Distribution	2,981,608.849	9.4733	10.0449	10.6796
Class 'A-H M' Distribution	4,298,101.986	9.4709	10.1152	10.7801
Class 'A-H M F1' Distribution	38,228.988	86.8139	93.0290	101.2985
Class 'A-H M F6' Distribution	235,664.847	91.2913	99.9930	111.1961
Class 'C-H' Accumulation	63,022,974.668	10.8668	11.0832	11.5359
Class 'C-H' Distribution	2,285,924.573	9.6916	10.2278	10.8204
Class 'C-H M' Distribution	2,000.000	10.3239	n/a	n/a
Class 'CI-H' Accumulation	111,203.714	10.9034	11.1045	11.5456
Class 'CI-H' Distribution	4,600.000	9.7606	10.2929	10.8781
Class 'J-H' Accumulation	3,380,715.985	10.9344	11.1308	11.5684
Class 'J-H' Distribution	804,338.454	9.7486	10.2734	10.8542
Class 'J-H M' Distribution	420,208.150	9.5244	10.1048	10.6945
Class 'JI-H' Accumulation	240,987.299	10.9382	11.1302	11.5547
Class 'JI-H' Distribution	4,605.000	9.6906	10.2023	10.7720
Class 'JI-H M' Distribution	15,160.000	9.5223	10.0978	10.6905
Class 'X-H' Accumulation	2,000.000	9.1831	9.5050	n/a
Class 'X-H M' Distribution	290,915.220	9.0634	9.7758	10.5313
Class 'X-H M F' Distribution	167,965.911	80.5276	89.2599	100.2608

NAV at sub-fund level	**31.03.23 €'000**	**31.03.22 €'000**	**31.03.21 €'000**
Net assets	9,527,956	11,991,172	14,050,593
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**9,527,956**	**11,991,172**	**14,050,593**

Total Expense Ratio 31.03.23	**TER[a]**
Australian dollar	**%**
Class 'A-H' Accumulation	1.35
Class 'A-H M' Distribution	1.35
Class 'C-H' Accumulation	0.84
Class 'C-H M' Distribution	0.84

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.33
Class 'A' Distribution	1.33
Class 'B' Accumulation	1.83
Class 'B' Distribution	1.83
Class 'C' Accumulation	0.83
Class 'C' Distribution	0.83
Class 'CI' Accumulation	0.79
Class 'CI' Distribution	0.79
Class 'CI-H' Accumulation	0.81
Class 'J' Accumulation	0.67
Class 'J' Distribution	0.67
Class 'JI' Accumulation	0.63
Class 'JI' Distribution	0.63
Hong Kong dollar	**%**
Class 'A-H' Accumulation	1.35
Class 'A-H M' Distribution	1.34
Class 'C-H' Accumulation	0.85
Class 'C-H M' Distribution	0.84
Singapore dollar	**%**
Class 'A-H' Accumulation	1.34
Class 'A-H M' Distribution	1.35
Class 'A-H M F1' Distribution	1.36
Class 'C-H' Accumulation	0.85
Class 'J-H' Accumulation	0.69
Class 'J-H M' Distribution	0.68
Class 'JI-H' Accumulation	0.64
Class 'JI-H M' Distribution	0.65
South African rand	**%**
Class 'A-H M F2' Distribution	1.35
Class 'X-H M F2' Distribution	2.35

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Sterling	**%**
Class 'A-H' Accumulation	1.35
Class 'A-H' Distribution	1.34
Class 'C-H' Accumulation	0.84
Class 'C-H' Distribution	0.85
Class 'CI-H' Distribution	0.81
Class 'J-H' Accumulation	0.68
Class 'J-H' Distribution	0.69
Class 'JI-H' Accumulation	0.65
Class 'JI-H' Distribution	0.64
Swiss franc	**%**
Class 'A-H' Accumulation	1.35
Class 'A-H' Distribution	1.35
Class 'C-H' Accumulation	0.85
Class 'C-H' Distribution	0.85
Class 'CI-H' Accumulation	0.81
Class 'J-H' Accumulation	0.69
Class 'J-H' Distribution	0.69

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
US dollar	**%**
Class 'A-H' Accumulation	1.35
Class 'A-H' Distribution	1.35
Class 'A-H M' Distribution	1.35
Class 'A-H M F1' Distribution	1.35
Class 'A-H M F6' Distribution	1.34
Class 'C-H' Accumulation	0.85
Class 'C-H' Distribution	0.85
Class 'C-H M' Distribution	0.88
Class 'CI-H' Accumulation	0.81
Class 'CI-H' Distribution	0.81
Class 'J-H' Accumulation	0.69
Class 'J-H' Distribution	0.69
Class 'J-H M' Distribution	0.69
Class 'JI-H' Accumulation	0.65
Class 'JI-H' Distribution	0.64
Class 'JI-H M' Distribution	0.65
Class 'X-H' Accumulation	2.34
Class 'X-H M' Distribution	2.35
Class 'X-H M F' Distribution	2.35

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

European equity markets rose in the 12 months under review, despite concerns about inflation, tightening monetary conditions, and a short-lived banking crisis which began in the US and spread to Europe. The sub-fund itself delivered positive returns during the period.

The sub-fund's security selection within the financials and industrials sectors was the biggest driver of relative outperformance. In contrast, unfavourable stockpicking within the consumer discretionary sector was the main drag on returns versus the benchmark.

Looking at individual companies, the biggest individual contributor in financials was Irish lender AIB. Like many banks, it benefited from higher interest rates, which boosted profitability. Novo Nordisk was a top performer, as the Danish pharmaceuticals company continued its upward trajectory after raising its full-year earnings expectations in November. The sub-fund's lack of exposure to Swiss biotech group Roche also supported relative performance.

By contrast, the biggest detractor was Danish allergy immunotherapy specialist Alk-Abello. The firm lagged a generally weak healthcare sector, despite reporting strong revenue and profit growth. In a similar manner, international dialysis group Fresenius Medical Care was an underperformer.

Engagement activity

We engaged with Georgian financial institution Bank of Georgia to provide increased disclosure on the nature and number of underserved or unbanked people that it is currently reaching, to improve our ability to measure its impact. Management agreed that the company needed to improve visibility, and while it is still in the early days of developing KPIs on underserved people, it was fully willing to do this and to communicate those KPIs more meaningfully.

We also engaged with consumer health company Haleon after it spun out from GSK earlier in the period. Our aim was to ensure that the company would produce effective disclosures (as GSK does), and to encourage a number of activities, from awareness raising to data provision. Haleon agreed to publish a sustainability report and we will follow up with the company after the publication of the first version of this report to explore areas for potential improvement.

We engaged with Dutch paint and coatings company Akzo Nobel, after reports it had released anti-fouling chemical TBT (tributyltin, which had been banned in the early 2000s) into a Devon estuary in 2016. We wanted to ensure that this was a one-off accident, that effective remediation had been undertaken, and that policies and procedures were in place to keep it from happening again.

The site had been a testing facility for TBT, among others, and the spill was an accidental release of contaminated sediment from one of two tanks located on the site into the foreshore adjacent to the quay. The contaminated sediment was not expected to be in the tank and was a legacy remnant from before TBT was banned.

The company said that TBT contamination remained isolated to the direct foreshore of its former site, and an independent study commissioned by the Environment Agency found no evidence of an ecological impact of the residual contamination in the area. Akzo is currently developing a remediation plan, and a formal remediation permit will be applied for with the Marine Management Organisation. The company hasn't experienced such issues at any of its other sites and believes it to be an isolated incident. It will take on board all the learnings to ensure an incident of this nature does not occur again.

Following our previous engagement with German ticketing and live entertainment business CTS Eventim, we again met with the company to check that it was on track for its emissions data gathering exercise, as well as target-setting commitments.

A new, more progressive, CFO joined the company in January 2023, who understood the company is currently lacking in its disclosures, and is working to improve this. The company is also still trying to

Investment review

determine if it is actually carbon-intensive, from a Scope 3 perspective – ie is it responsible for the emissions of people traveling to a concert that it sold the tickets to. M&G's climate team is considering the question for CTS and similar companies, and we will make the findings known to CTS.

Investment activities

In October 2022, we closed the sub-fund's position in Bank of Georgia, whose shares had rallied significantly. In the same month, we also opened a holding in Universal Music Group (UMG). One of UMG's main strengths is the breadth of its music catalogue. This is particularly important in the streaming world, where content owners such as UMG are rewarded based on their share of listening.

In December 2022, we took advantage of strong share price performance to trim our holding in Novo Nordisk. We also added to our holding in German online property platform Scout24.

Outlook

While there are signs of weakening inflation, particularly in the US, tight job markets suggest inflationary pressures remain. At the same time, slowing global growth is leading to expectations of recession and uncertainty around what central bank rate decisions might be. It looks likely to be a case of not 'if' there will be a recession, but how deep and long the global slowdown is likely to last.

These conditions may make equities look risky, but our sub-fund remains balanced and diversified, in our view, with a focus on being prepared for volatility ahead. Strong stock selection underpins our sub-fund, giving us confidence it can weather a downturn. We continue to invest in what we see as quality European companies that we think are well-positioned to surviveand thrive in the long term. We continue to hunt for unknown companies where we can find value.

Looking at the current portfolio, we remain confident in the quality of the companies we invest in, and we continue to be optimistic about their ability to generate long-term value, while also contributing towards the goals of the Paris Agreement on climate change.

One high spot is that we believe that the long-awaited re-opening of China positions it well for growth based on low valuations and a recovering economy. This could increase global demand for commodities and feed into other markets and geographies.

John William Olsen
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 9 fund under SFDR. Information related to the sustainable investments of the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities					**133,429**	**96.47**
Chemicals					**8,000**	**5.78**
Akzo Nobel	65,861	€			4,715	3.41
Linde	9,453	€			3,036	2.19
Linde	769	US$			249	0.18
Electrical equipment					**11,394**	**8.24**
Legrand	50,194	€			4,220	3.05
Schneider Electric	47,032	€			7,174	5.19
Machinery					**7,340**	**5.31**
ANDRITZ	72,900	€			4,551	3.29
Weir Group	132,896	£			2,789	2.02
Commercial services & supplies					**5,194**	**3.76**
ISS	187,220	DKK			3,487	2.52
Societe BIC	29,142	€			1,707	1.24
Professional services						
RELX	160,915	£			**4,786**	**3.46**
Air freight & logistics						
DSV	33,021	DKK			**5,963**	**4.31**
Marine						
Kuehne & Nagel International	19,625	CHF			**5,334**	**3.86**
Textiles, apparel & luxury goods						
Pandora	29,223	DKK			**2,530**	**1.83**
Specialty retail					**10,173**	**7.35**
Pets at Home Group	1,133,901	£			4,750	3.43
WH Smith	317,337	£			5,423	3.92
Food products						
Nestlé	52,249	CHF			**5,839**	**4.22**
Household products						
Reckitt Benckiser Group	56,099	£			**3,991**	**2.89**
Personal products					**5,746**	**4.15**
Haleon	127,535	£			468	0.34
Unilever	109,642	£			5,278	3.81

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Health care providers & services						
Fresenius Medical Care	68,780	€			**2,681**	**1.94**
Pharmaceuticals					**15,322**	**11.08**
ALK-Abello	265,620	DKK			3,757	2.72
GSK	102,029	£			1,662	1.20
Novo Nordisk 'B'	68,168	DKK			9,903	7.16
Banks					**11,653**	**8.43**
AIB Group	1,488,401	€			5,540	4.01
Bank of Georgia Group	66,665	£			2,085	1.51
ING Groep	369,669	€			4,028	2.91
Insurance					**6,023**	**4.35**
Hannover Rueck	18,494	€			3,343	2.41
Hiscox	212,089	£			2,680	1.94
IT services						
Amadeus IT Group	74,428	€			**4,545**	**3.29**
Software						
SAP	33,131	€			**3,834**	**2.77**
Entertainment					**7,462**	**5.39**
CTS Eventim	74,933	€			4,254	3.07
Universal Music Group	137,672	€			3,208	2.32
Interactive Media & Services						
Scout24	102,436	€			**5,619**	**4.06**
Currency					**0**	**0.00**
Forward currency contracts					**0**	**0.00**
Bought for € 953.62, Sold for ZAR 18,612.59			19.04.2023		0	0.00
Bought for ZAR 893,329.51, Sold for € 45,736.49			19.04.2023		0	0.00
Portfolio of investments					**133,429**	**96.47**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Cash equivalents					**4,313**	**3.12**
'AAA' rated money market funds						
Northern Trust Global Funds - Euro Liquidity Fund Class 'D' (Accumulation)	4,450,731	€			**4,313**	**3.12**
Total portfolio					**137,742**	**99.59**
Net other assets/(liabilities)					565	0.41
Net assets					**138,307**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	133,429	96.47
Total Investment assets	**133,429**	**96.47**
Total portfolio	**133,429**	**96.47**
Cash equivalents	**4,313**	**3.12**
Net other assets/(liabilities)	**565**	**0.41**
Net assets	**138,307**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts €'000
State Street Bank and Trust Company	94

Exposure represents the sub-fund's exposure to that counterparty.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	+7.1	+16.8	+6.6	+4.8	28.11.01	09.11.18
Class 'B' Accumulation	+6.6	+16.3	+6.0	+6.7	21.03.16	09.11.18
Class 'C' Accumulation	+7.9	+17.7	+7.4	+7.4	29.09.89	09.11.18
Class 'CI' Accumulation	+7.9	+17.8	+7.4	+7.4	29.09.89	19.11.18
South African rand						
Class 'A-H' Accumulation	n/a	n/a	n/a	+16.2	n/a	24.05.22
Class 'X-H' Accumulation	n/a	n/a	n/a	+15.2	n/a	24.05.22
Swedish Krona						
Class 'N' Accumulation	+16.5	+18.3	+8.5	+5.7	n/a	22.02.23

M&G (Lux) Pan European Sustain Paris Aligned Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A' Accumulation	+4.9	+16.6	+3.9	+5.1	08.08.14	09.11.18
Class 'C' Accumulation	+5.7	+17.4	+4.8	+5.9	08.08.14	09.11.18
Class 'X' Accumulation	n/a	n/a	n/a	+4.4	n/a	21.04.22

[a] Sub-fund performance before the launch of the sub-fund on 9 November 2018 is that of the relevant Merged Share Class of the M&G Pan European Select Fund, which includes UK taxes but excludes entry and exit charges. The M&G Pan European Select Fund is a UK authorised sub-fund which launched on 29 September 1989 and its non-Sterling share classes merged into M&G (Lux) Pan European Select Fund on 9 November 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	4,121,572.600	27.3393	25.5292	24.2207
Class 'B' Accumulation	46,771.689	15.7191	14.7519	14.0660
Class 'C' Accumulation	370,696.723	32.1838	29.8310	28.0883
Class 'CI' Accumulation	868,775.175	14.5077	13.4407	12.6513
South African rand		**ZAR**	**ZAR**	**ZAR**
Class 'A-H' Accumulation	2,566.734	174.3401	n/a	n/a
Class 'X-H' Accumulation	2,566.667	172.8497	n/a	n/a
Swedish Krona		**SEK**	**SEK**	**SEK**
Class 'N' Accumulation	1,232.171	103.7071	n/a	n/a
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	17,032.431	15.3427	14.6232	14.6730
Class 'C' Accumulation	3,300.238	16.4018	15.5160	15.4530
Class 'X' Accumulation	1,000.000	10.4434	n/a	n/a

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	138,307	115,637	106,571
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**138,307**	**115,637**	**106,571**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.70
Class 'B' Accumulation	2.20
Class 'C' Accumulation	0.96
Class 'CI' Accumulation	0.91

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
South African rand	**%**
Class 'A-H' Accumulation	1.73
Class 'X-H' Accumulation	2.73
Swedish Krona	**%**
Class 'N' Accumulation	1.70
US dollar	**%**
Class 'A' Accumulation	1.70
Class 'C' Accumulation	0.96
Class 'X' Accumulation	2.70

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

Global stockmarkets fell over the review period as central banks raised interest rates in a bid to cool rampant inflation. The price rises stemmed from the war in Ukraine, rebounding demand as COVID-19 restrictions eased and supply-chain disruptions caused by the pandemic.

Sub-fund performance over the reporting period was negative. Stockpicking in the financials and information technology sectors drove the outperformance. An overweight position in the healthcare sector was also beneficial.

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.

On a company level, Novo Nordisk and onsemi (previously ON Semiconductor) were among the biggest contributors to performance. Drugmaker Novo rose throughout the 12 months and raised its earnings forecast in November. Onsemi surpassed earnings expectations and announced a share buyback, while benefiting from the US government's huge push to boost domestic production of semiconductors. Investments in emerging-market lenders Bank of Georgia and HDFC Bank also boosted the sub-fund's performance.

On the downside, stockpicking in utilities was the main drag on performance over the period. The lack of exposure to the energy and consumer staples sectors also weighed on performance, along with stockpicking in the communication services sector.

Safaricom was one of the biggest detractors among individual companies. The Kenyan mobile network operator's profits dropped due to higher tax payments and the cost of entering the Ethiopian market, while continued Kenyan shilling weakness also weighed on the share price. Orsted was also a drag on performance, as the wind-power sector contends with rising costs and higher interest rates. ALK-Abelló was another detractor. The Danish pharmaceuticals company lowered the full-year sales growth forecast for its tablets business after a disappointing performance in Europe.

Investment activities

The sub-fund only added one new position during the reporting period, reflecting a focus on long-term investments.

This was eBay, which was purchased in December. The online marketplace plays a role in the circular economy as it facilitates the sale of used and refurbished goods.

The sub-fund also received a small amount of stock in Embecta in April following the insulin syringe maker's spin-off from another holding, Becton Dickinson. These shares were sold in July.

No other positions were exited during the year.

ESG engagements

The sub-fund managers engaged with a number of investment companies over the 12 months in order to pursue environmental, societal and governance (ESG) goals.

Some of our environmental advocacy included supporting decarbonisation efforts at both onsemi and healthcare company UnitedHealth. We also held meetings with US waste specialist Republic Services to encourage the company's recycling efforts, including a request for more granular recycling data. We also asked the company to engage with ESG data providers, particularly in light of its acquisition of hazardous waste company US Ecology.

As part of our governance efforts, we encouraged greater gender diversity on the boards of two of our investments – biotech firm Oxford Nanopore Technologies and renewable energy company SolarEdge. We also met with communications-tower operator Helios Towers to give our opinion on its sustainability materiality matrix before this was delivered to a wider audience. At Bank of Georgia, we discussed the lender's disclosure of data around the number of underserved/unbanked people it has served, to help us measure its positive impact.

Investment review

Outlook

The sub-fund seeks to invest in quality companies with a competitive advantage, and which offer long-term upside potential. We believe such businesses are likely to weather a world of higher borrowing costs and slower growth because their inherent strengths let them create value well in excess of their cost of capital. Higher interest rates and other long-term global challenges are also bolstering demand for companies that provide real-world sustainable outcomes.

Less generous access to capital will likely persist in 2023. This will weigh on the performance of capital-hungry growth companies that are valued based on cashflows in the distant future. By contrast, established companies with good cashflow yields, decent growth opportunities and a healthy return on invested capital will be less affected by the current economic challenges.

The 2022 market sell-off has also bolstered the possibility of making long-term gains because it reduced valuations. Similarly, recent volatility has opened opportunities in impactful companies, even with the sub-fund's limited turnover. More broadly, last year's upheavals have rebalanced the market, helping to remove an 'ESG premium' from some sustainable stocks.

John William Olsen
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 9 fund under SFDR. Information related to the sustainable investments of the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities					**258,531**	**97.89**
Software & computer services					**15,390**	**5.83**
Ansys	30,266	US$			9,901	3.75
eBay	124,846	US$			5,489	2.08
Technology hardware & equipment						
ON Semiconductor	190,632	US$			**15,678**	**5.94**
Telecommunications service providers					**6,948**	**2.63**
Helios Towers	2,996,554	£			3,948	1.49
Safaricom	21,874,416	KES			3,000	1.14
Health care providers					**21,620**	**8.18**
Quest Diagnostics	69,769	US$			9,726	3.68
UnitedHealth Group	25,280	US$			11,894	4.50
Medical equipment & services					**25,337**	**9.59**
Becton Dickinson	35,515	US$			8,714	3.30
Fresenius Medical Care	91,470	€			3,875	1.47
Thermo Fisher Scientific	22,610	US$			12,748	4.82
Pharmaceuticals & biotechnology					**39,982**	**15.14**
ALK-Abello	458,135	DKK			7,044	2.67
Grifols 'B'	388,761	€			2,785	1.06
Illumina	23,972	US$			5,412	2.05
Novo Nordisk 'B'	117,067	DKK			18,487	7.00
Oxford Nanopore Technologies	879,903	£			2,336	0.88
PureTech Health	1,418,342	£			3,918	1.48
Banks					**23,119**	**8.75**
Bank of Georgia Group	280,418	£			9,535	3.61
HDFC Bank ADR	205,174	US$			13,584	5.14
Life insurance						
AMERISAFE	93,660	US$			**4,572**	**1.73**
Household goods & home construction						
Katitas	178,400	¥			**3,452**	**1.31**
Retailers						
Cogna Educação	1,173,826	BRL			**418**	**0.16**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Equities (continued)						
Construction & materials						
ROCKWOOL International 'B'	25,066	DKK			**6,129**	**2.32**
Electronic & electrical equipment					**46,210**	**17.50**
Agilent Technologies	58,848	US$			7,922	3.00
Ceres Power Holdings	344,284	£			1,644	0.62
Horiba	109,800	¥			6,532	2.47
IPG Photonics	42,474	US$			5,168	1.96
Johnson Controls International	216,618	US$			12,903	4.89
Schneider Electric	72,624	€			12,041	4.56
General industrials					**12,787**	**4.84**
Brambles	817,225	AU$			7,343	2.78
DS Smith	1,396,014	£			5,444	2.06
Industrial support services					**17,429**	**6.60**
Bright Horizons Family Solutions	42,642	US$			3,254	1.23
Republic Services	68,715	US$			9,281	3.52
UniFirst	28,161	US$			4,894	1.85
Gas, water & multi-utilities					**19,460**	**7.37**
Ørsted	86,543	DKK			7,284	2.76
SolarEdge Technologies	41,026	US$			12,176	4.61
Currency					**1**	**0.00**
Forward currency contracts					**1**	**0.00**
Bought for US$ 3,246.41, Sold for ZAR 59,307.08			19.04.2023		0	0.00
Bought for ZAR 631,179.28, Sold for US$ 34,639.45			19.04.2023		1	0.00
Portfolio of investments					**258,532**	**97.89**
Total portfolio					**258,532**	**97.89**
Net other assets/(liabilities)					5,567	2.11
Net assets					**264,099**	**100.00**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Equity securities	258,531	97.89
Unrealised gains on forward currency contracts	1	0.00
Total Investment assets	**258,532**	**97.89**
Total portfolio	**258,532**	**97.89**
Net other assets/(liabilities)	**5,567**	**2.11**
Net assets	**264,099**	**100.00**

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

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures Forward currency contracts US$'000
State Street Bank and Trust Company	77

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-3.8	+12.7	n/a	+8.8	29.11.18
Class 'A' Distribution	-3.9	+12.7	n/a	+8.8	29.11.18
Class 'C' Accumulation	-2.9	+13.8	n/a	+9.9	29.11.18
Class 'C' Distribution	-2.9	+13.8	n/a	+9.9	29.11.18
Class 'CI' Accumulation	-2.8	+13.9	n/a	+10.0	29.11.18
Class 'L' Accumulation	-2.4	+14.3	n/a	+10.3	29.11.18
Class 'LI' Accumulation	-2.4	+14.4	n/a	+10.4	29.11.18
South African rand					
Class 'A-H' Accumulation	-4.2	n/a	n/a	-9.0	04.11.21
Class 'X-H' Accumulation	-5.2	n/a	n/a	-9.9	04.11.21
Sterling					
Class 'C' Accumulation	+0.9	+13.5	n/a	+9.6	29.11.18
Class 'C' Distribution	+0.9	+13.5	n/a	+9.6	29.11.18
Class 'CI' Accumulation	+1.0	+13.5	n/a	+9.6	29.11.18
Class 'L' Accumulation	+1.4	+14.0	n/a	+10.0	29.11.18
Class 'L' Distribution	+1.3	n/a	n/a	+7.2	15.09.20
Class 'LI' Accumulation	+1.4	+14.1	n/a	+10.0	29.11.18
Swiss franc					
Class 'A' Accumulation	-6.5	+10.5	n/a	+5.7	29.11.18
Class 'A' Distribution	-6.6	+10.5	n/a	+5.7	29.11.18
Class 'C' Accumulation	-5.6	+11.6	n/a	+6.8	29.11.18
Class 'C' Distribution	-5.6	+11.6	n/a	+6.8	29.11.18
Class 'CI' Accumulation	-5.6	+11.7	n/a	+6.8	29.11.18
Class 'L' Accumulation	-5.2	+12.1	n/a	+7.2	29.11.18
Class 'LI' Accumulation	-5.1	+12.2	n/a	+7.2	29.11.18

M&G (Lux) Positive Impact Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
US dollar					
Class 'A' Accumulation	-5.8	+12.4	n/a	+7.7	29.11.18
Class 'A' Distribution	-5.8	+12.4	n/a	+7.7	29.11.18
Class 'C' Accumulation	-4.8	+13.6	n/a	+8.8	29.11.18
Class 'C' Distribution	-4.8	+13.6	n/a	+8.8	29.11.18
Class 'CI' Accumulation	-4.8	+13.6	n/a	+8.8	29.11.18
Class 'L' Accumulation	-4.4	+14.0	n/a	+9.2	29.11.18
Class 'L' Distribution	-4.4	n/a	n/a	+5.4	15.09.20
Class 'LI' Accumulation	-4.4	+14.1	n/a	+9.3	29.11.18
Class 'X' Accumulation	-6.7	n/a	n/a	-10.9	23.09.21

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	NAV per share 31.03.22	NAV per share 31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	1,636,880.864	14.4190	14.9914	14.4157
Class 'A' Distribution	283,778.134	13.8747	14.5973	14.1512
Class 'C' Accumulation	550,636.116	15.0597	15.5047	14.7609
Class 'C' Distribution	17,056.251	14.4973	15.0978	14.4895
Class 'CI' Accumulation	3,733,126.485	15.0908	15.5312	14.7799
Class 'L' Accumulation	2,129,386.571	15.3161	15.6979	14.8763
Class 'LI' Accumulation	3,902,703.084	15.3461	15.7224	14.8940
South African rand		**ZAR**	**ZAR**	**ZAR**
Class 'A-H' Accumulation	2,266.667	131.4457	137.2039	n/a
Class 'X-H' Accumulation	2,266.734	129.5992	136.6582	n/a
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	23,933.018	14.8649	14.7274	14.1400
Class 'C' Distribution	1,000.000	14.3118	14.3454	13.8841
Class 'CI' Accumulation	4,600.000	14.8904	14.7477	14.1544
Class 'L' Accumulation	1,000.000	15.1157	14.9094	14.2501
Class 'L' Distribution	223,191.885	11.7507	11.7244	11.2495
Class 'LI' Accumulation	4,600.000	15.1406	14.9280	14.2632
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A' Accumulation	4,530.000	12.7137	13.6020	14.1091
Class 'A' Distribution	1,000.000	12.2360	13.2427	13.8461
Class 'C' Accumulation	1,000.000	13.2800	14.0660	14.4434
Class 'C' Distribution	1,000.000	12.7813	13.6942	14.1749
Class 'CI' Accumulation	4,600.000	13.3008	14.0826	14.4557
Class 'L' Accumulation	1,150.000	13.5030	14.2386	14.5546
Class 'LI' Accumulation	4,600.000	13.5247	14.2552	14.5670

M&G (Lux) Positive Impact Fund

Financial highlights

	Shares outstanding as at 31.03.23	31.03.23	NAV per share 31.03.22	31.03.21
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	63,989.170	13.7939	14.6412	14.8905
Class 'A' Distribution	21,229.770	13.2723	14.2526	14.6139
Class 'C' Accumulation	1,000.000	14.4110	15.1439	15.2467
Class 'C' Distribution	1,000.000	13.8691	14.7432	14.9632
Class 'CI' Accumulation	5,100.000	14.4334	15.1616	15.2595
Class 'L' Accumulation	112,350.800	14.6453	15.3240	15.3607
Class 'L' Distribution	93,130.347	11.2608	11.9167	11.9910
Class 'LI' Accumulation	3,742,921.302	14.6758	15.3470	15.3767
Class 'X' Accumulation	1,000.000	8.3984	9.0013	n/a

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	264,099	265,634	409,310
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**264,099**	**265,634**	**409,310**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.96
Class 'A' Distribution	1.97
Class 'C' Accumulation	0.97
Class 'C' Distribution	0.98
Class 'CI' Accumulation	0.93
Class 'L' Accumulation	0.52
Class 'LI' Accumulation	0.47
South African rand	**%**
Class 'A-H' Accumulation	2.00
Class 'X-H' Accumulation	3.00
Sterling	**%**
Class 'C' Accumulation	0.97
Class 'C' Distribution	0.98
Class 'CI' Accumulation	0.93
Class 'L' Accumulation	0.53
Class 'L' Distribution	0.51
Class 'LI' Accumulation	0.48

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Swiss franc	**%**
Class 'A' Accumulation	1.98
Class 'A' Distribution	1.98
Class 'C' Accumulation	0.98
Class 'C' Distribution	0.98
Class 'CI' Accumulation	0.95
Class 'L' Accumulation	0.53
Class 'LI' Accumulation	0.49
US dollar	**%**
Class 'A' Accumulation	1.97
Class 'A' Distribution	1.97
Class 'C' Accumulation	0.98
Class 'C' Distribution	0.98
Class 'CI' Accumulation	0.94
Class 'L' Accumulation	0.52
Class 'L' Distribution	0.52
Class 'LI' Accumulation	0.48
Class 'X' Accumulation	2.95

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The period under review proved volatile for global fixed income markets, with the majority posting negative returns. The ongoing war in Ukraine exacerbated high food and energy prices, and central banks repeatedly hiked interest rates in efforts to curb inflation.

High interest rates make the fixed payments offered by government and investment grade corporate bonds less competitive. This causes bond yields to rise and their prices to fall. The impact is greater for long-dated bonds, and UK and US government bonds with maturity dates of 15 years or more were particularly weak. Investment grade corporate bonds performed better, but the best returns came from lower-quality, high yield bonds, which offer higher income potential to compensate for greater default risks.

Over the review period, the sub-fund primarily held investment grade corporate bonds (77% of the sub-fund's net exposure at the end of the period). While most paid fixed rates, the sub-fund had exposure to floating rate corporate bonds, which performed better as their interest rates can fluctuate depending on market conditions, shielding investors from the effects of inflation. At period end, 4.2% of the sub-fund's net exposure was in high yield corporate bonds.

The sub-fund is diversified across sectors and geographies, favouring quality banking and mortgage-backed bonds based in the US, eurozone and UK, while the sub-fund's average credit rating was A-. The largest individual issuers included Royal Bank of Canada, Nationwide Building Society, and Lloyds Banking Group. At the end of the period, the sub-fund's average maturity was 3.9 years.

The sub-fund's US dollar share classes delivered a positive total return for the year, while the euro share classes were in negative territory. However, in both euro and US dollar terms, the sub-fund successfully outperformed the benchmark (the Markit iBoxx EUR Corporates 1-3 year Index) over the 12 months under review.

The sub-fund's duration positioning (lower duration than the benchmark), and more defensive bias, contributed positively to relative performance. Duration is a measure of the sensitivity of a bond sub-fund to changes in interest rates, and our short duration positioning provided some protection against interest rate volatility. Conversely our foreign currency exposure, which is hedged back to euros, hampered performance.

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.

Investment activities

From 15 February 2023, the sub-fund's objective, investment policy and its strategy were updated to introduce a set of environmental, social and governance (ESG) exclusions. The new strategy was updated to reflect the role of ESG considerations in the sub-fund's investment process.

We remained cautiously positioned from a duration perspective throughout the period as we felt rising inflation rates would force central banks to keep hiking interest rates. Therefore, we maintained a low duration position of around 1.6 years.

Within credit, we began with an overweight spread duration but gradually reduced our credit exposure as spreads narrowed sharply. (Spread duration is a measure of the sensitivity of a bond sub-fund to changes in its credit spread.)

Outlook

We continue to believe investment grade corporate bonds should be able to withstand different market conditions, from a prolonged economic slowdown to a faster-than-expected return to growth. Furthermore, we believe this asset class is also well placed to withstand a recessionary environment – despite the uncertain economic outlook – as corporate fundamentals remain strong and we expect default rates to remain low.

Looking ahead, we believe expectations around inflation and recession risk will drive market performance. March's banking sector worries seem to be easing and inflation is currently heading in the right

Investment review

direction, which is positive for bonds. However, recession is still possible given that core prices – and central bank rates – remain elevated. In this uncertain environment, we will maintain a balanced and diversified approach, continuing to focus on investment grade bonds where we see good value and solid yields.

Matthew Russell
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 15 February 2023, the sub-fund was 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. From 16 February 2023, the sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income					**409,076**	**96.68**
Debt securities					**408,206**	**96.47**
'AAA' credit rated bonds					**131,799**	**31.15**
Avoca CLO XXV FRN	767,000	€	15.10.2034		742	0.17
Bank of Nova Scotia FRN	2,909,000	£	09.03.2027		3,313	0.78
Blackrock European CLO XII FRN	1,000,000	€	17.01.2035		959	0.23
Bundesobligation 0%	12,000,000	€	18.10.2024		11,506	2.72
Cairn CLO XIV FRN	1,000,000	€	29.10.2034		967	0.23
Canada Square Funding FRN	2,015,045	£	17.06.2058		2,272	0.54
Canada Square Funding FRN	2,885,335	£	17.01.2059		3,245	0.77
Castell FRN	197,022	£	25.03.2053		225	0.05
CIFC European Funding CLO V FRN	1,000,000	€	23.11.2034		964	0.23
Coventry Building Society FRN	1,895,000	£	14.03.2028		2,156	0.51
Economic Master Issuer FRN	1,192,900	£	25.06.2074		1,358	0.32
Elstree Funding No. 1 FRN	348,472	£	20.12.2053		397	0.09
Elstree Funding No. 2 FRN	2,004,377	£	21.12.2054		2,257	0.53
Gemgarto FRN	761,588	£	16.12.2067		860	0.20
Germany (Federal Republic of) 0%	10,000,000	€	16.04.2027		9,080	2.15
Germany (Federal Republic of) 0.1%	11,230,000	€	15.04.2023		13,949	3.30
Glenbeigh 2 Issuer FRN	2,946,934	€	24.03.2046		2,923	0.69
Glenbeigh 2 Issuer FRN	795,918	€	24.06.2050		788	0.19
Harbour FRN	1,678,777	£	28.01.2054		1,894	0.45
Holmes Master Issuer FRN	1,600,000	£	15.10.2072		1,828	0.43
Hops Hill No. 1 FRN	410,068	£	27.05.2054		467	0.11
Jubilee Place FRN	975,248	€	17.07.2058		971	0.23
Jupiter Mortgage No. 1 FRN	904,072	£	20.07.2060		1,024	0.24
Lanebrook Mortgage Transaction FRN	1,459,152	£	20.07.2058		1,641	0.39
Lloyds Bank 6%	3,000,000	£	08.02.2029		3,676	0.87
London Wall Mortgage Capital FRN	774,758	£	15.05.2052		871	0.20
Mortimer BTL FRN	352,555	£	23.06.2053		394	0.09
National Australia Bank FRN	3,372,000	£	15.12.2025		3,883	0.92
Nationwide Building Society FRN	4,130,000	£	24.02.2031		4,603	1.09
Newday Partnership Funding FRN	1,850,000	£	15.11.2028		2,103	0.50

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'AAA' credit rated bonds (continued)						
Palmer Square European Loan Funding FRN	599,005	€	15.07.2031		581	0.14
Polaris FRN	3,783,396	£	23.10.2059		4,259	1.01
Precise Mortgage Funding FRN	261,566	£	16.10.2056		297	0.07
Royal Bank of Canada FRN	4,000,000	£	30.01.2025		4,551	1.07
Royal Bank of Canada FRN	4,000,000	£	18.01.2028		4,569	1.08
RRE 5 Loan Management FRN	1,000,000	€	15.01.2037		963	0.23
Santander UK FRN	2,000,000	£	12.02.2027		2,277	0.54
Satus FRN	549,833	£	17.08.2028		626	0.15
Shamrock Residential FRN	2,621,905	€	24.12.2059		2,623	0.62
Stratton BTL Mortgage Funding FRN	2,010,837	£	20.01.2054		2,260	0.53
Stratton Mortgage Funding FRN	648,832	£	12.12.2043		735	0.17
Stratton Mortgage Funding FRN	1,199,869	£	25.09.2051		1,359	0.32
Taurus UK FRN	2,351,249	£	17.08.2031		2,611	0.62
Together Asset Backed Securitisation FRN	161,453	£	15.07.2061		184	0.04
Together Asset Backed Securitisation FRN	406,494	£	15.12.2061		463	0.11
Together Asset Backed Securitisation FRN	1,241,803	£	12.07.2063		1,403	0.33
Towd Point Mortgage Funding FRN	2,000,000	£	20.10.2051		2,261	0.53
Towd Point Mortgage Funding FRN	588,851	£	20.02.2054		670	0.16
Tower Bridge Funding FRN	1,230,793	£	20.11.2063		1,394	0.33
Tower Bridge Funding FRN	1,637,945	£	20.12.2063		1,850	0.44
Tower Bridge Funding FRN	1,016,500	£	21.07.2064		1,157	0.27
Tower Bridge Funding FRN	1,526,000	£	20.10.2064		1,740	0.41
TSB Bank FRN	5,568,000	£	14.02.2027		6,346	1.50
Tudor Rose Mortgages FRN	1,409,324	£	20.06.2048		1,592	0.38
Twin Bridges FRN	1,485,536	£	12.03.2055		1,677	0.40
Twin Bridges FRN	1,212,357	£	12.09.2055		1,359	0.32
Voya Euro CLO III FRN	695,000	€	15.04.2033		676	0.16
'AA' credit rated bonds					**53,779**	**12.71**
France (Republic of) 0%	20,000,000	€	25.02.2024		19,478	4.60
France (Republic of) 0%	20,000,000	€	25.03.2024		19,419	4.59

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'AA' credit rated bonds (continued)						
France (Republic of) 1.75%	3,000,000	€	25.05.2023		2,996	0.71
Jupiter Mortgage No. 1 FRN	248,000	£	20.07.2060		280	0.06
Metropolitan Life Global Funding I 1.625%	3,018,000	£	12.10.2028		2,911	0.69
Metropolitan Life Global Funding I 4.125%	746,000	£	02.09.2025		831	0.20
New York Life Global Funding 1.25%	2,335,000	£	17.12.2026		2,331	0.55
New York Life Global Funding 1.5%	1,850,000	£	15.07.2027		1,841	0.43
New York Life Global Funding 1.625%	179,000	£	15.12.2023		199	0.05
Telereal Securitisation 1.3657%	113,714	£	10.12.2031		112	0.03
UK Gilt 0.75%	3,000,000	£	22.07.2023		3,381	0.80
'A' credit rated bonds					**49,225**	**11.63**
American Honda Finance 0.3%	2,000,000	€	07.07.2028		1,679	0.40
Bank of America FRN	2,143,000	US$	25.04.2025		1,968	0.47
Bank of America FRN	100,000	US$	25.04.2025		90	0.02
Bank of America FRN	3,200,000	€	22.09.2026		3,186	0.75
Banque Fédérative du Crédit Mutuel 4.875%	3,000,000	£	25.09.2025		3,383	0.80
BMW International Investment 0.75%	2,208,000	£	08.03.2024		2,430	0.57
Cargill 3.5%	2,322,000	US$	22.04.2025		2,082	0.49
Comcast 0%	2,942,000	€	14.09.2026		2,609	0.62
Crédit Agricole FRN	4,000,000	€	11.07.2029		3,991	0.94
EssilorLuxottica 0.125%	3,600,000	€	27.05.2025		3,359	0.79
Henkel 1.75%	2,200,000	US$	17.11.2026		1,830	0.43
JPMorgan Chase FRN	3,780,000	US$	15.10.2025		3,300	0.78
Mercedes-Benz Finance North America FRN	4,000,000	US$	30.03.2025		3,680	0.87
Morgan Stanley FRN	4,790,000	US$	24.01.2025		4,351	1.03
NatWest Markets FRN	1,463,000	US$	22.03.2025		1,336	0.32
Nestlé Holdings 2.125%	2,282,000	£	04.04.2027		2,376	0.56
PepsiCo 0.25%	1,796,000	€	06.05.2024		1,739	0.41
Toyota Motor Credit 0.75%	1,934,000	£	19.11.2026		1,914	0.45
Toyota Motor Finance 4.625%	2,051,000	£	08.06.2026		2,326	0.55
UBS Group FRN	1,749,000	US$	09.08.2024		1,596	0.38

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds					**155,723**	**36.80**
AA Bond 6.269%	3,000,000	£	02.07.2043		3,344	0.79
AA Bond 8.45%	100,000	£	31.07.2050		115	0.03
AerCap Ireland Capital Via AerCap Global Aviation Trust 2.45%	1,609,000	US$	29.10.2026		1,321	0.31
American Express FRN	4,000,000	US$	13.02.2026		3,643	0.86
Amphenol 4.75%	615,000	US$	30.03.2026		566	0.13
AT&T 5.539%	4,312,000	US$	20.02.2026		3,975	0.94
Banco Bilbao Vizcaya Argentaria FRN	3,000,000	US$	14.09.2026		2,725	0.64
Banco Santander FRN	3,200,000	£	04.10.2032		2,942	0.70
Bank of Ireland Group FRN	4,029,000	€	16.07.2028		4,031	0.95
Barclays FRN	3,000,000	US$	02.11.2026		2,827	0.67
Barclays FRN	576,000	US$	09.08.2028		519	0.12
CaixaBank FRN	1,400,000	£	06.04.2028		1,427	0.34
CaixaBank FRN	1,510,000	US$	18.01.2029		1,394	0.33
Celanese US Holdings 6.165%	3,500,000	US$	15.07.2027		3,229	0.76
Citigroup FRN	3,200,000	US$	17.03.2026		2,956	0.70
Citigroup 2.75%	1,397,000	£	24.01.2024		1,558	0.37
CNH Industrial Capital 3.95%	1,412,000	US$	23.05.2025		1,262	0.30
Coca-Cola HBC Finance 1%	2,100,000	€	14.05.2027		1,885	0.45
Daimler Trucks Finance North America FRN	3,000,000	US$	05.04.2024		2,751	0.65
Deutsche Pfandbriefbank 7.625%	4,000,000	£	08.12.2025		4,570	1.08
E.ON 2.875%	1,799,000	€	26.08.2028		1,734	0.41
Électricité de France 3.875%	3,000,000	€	12.01.2027		3,003	0.71
EnBW International Finance 3.5%	3,000,000	€	24.07.2028		2,963	0.70
Enel FRN	3,230,000	€	31.12.2099		2,608	0.62
Enel Finance International 6.8%	444,000	US$	14.10.2025		423	0.10
Firstgroup 6.875%	3,350,000	£	18.09.2024		3,830	0.91
Fiserv 2.25%	863,000	£	01.07.2025		925	0.22
Fraport Frankfurt Airport Services Worldwide 1.625%	3,528,000	€	09.07.2024		3,440	0.81
Gatwick Funding 5.25%	743,000	£	23.01.2026		845	0.20
General Motors Financial FRN	4,200,000	US$	17.11.2023		3,856	0.91

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Goldman Sachs Group FRN	3,647,000	US$	24.02.2028		3,276	0.77
Goldman Sachs Group FRN	2,227,000	US$	15.03.2028		2,050	0.48
Harley-Davidson Financial Services 5.125%	1,344,000	€	05.04.2026		1,349	0.32
Hiscox 6%	1,081,000	£	22.09.2027		1,248	0.29
Infineon Technologies 0.75%	1,000,000	€	24.06.2023		993	0.23
Informa 3.125%	4,830,000	£	05.07.2026		5,109	1.21
ING Groep FRN	3,000,000	£	30.08.2026		3,357	0.79
InterContinental Hotels Group 1.625%	2,890,000	€	08.10.2024		2,795	0.66
Intesa Sanpaolo 4.75%	2,100,000	€	06.09.2027		2,096	0.50
KBC Group FRN	2,300,000	£	21.09.2027		2,260	0.53
Lloyds Banking Group FRN	2,547,000	£	15.01.2026		2,701	0.64
Lloyds Banking Group FRN	1,700,000	US$	18.03.2026		1,486	0.35
Lloyds Banking Group FRN	848,000	£	15.12.2031		823	0.19
Magallanes FRN	1,875,000	US$	15.03.2024		1,735	0.41
Mercialys 4.625%	1,600,000	€	07.07.2027		1,518	0.36
Nationwide Building Society FRN	4,790,000	US$	16.02.2028		4,263	1.01
NextEra Energy Capital Holdings 6.051%	1,428,000	US$	01.03.2025		1,334	0.32
Pacific Gas and Electric 4.95%	2,042,000	US$	08.06.2025		1,852	0.44
Pennsylvania Electric 5.15%	582,000	US$	30.03.2026		536	0.13
RL Finance Bonds No. 2 FRN	3,000,000	£	30.11.2043		3,381	0.80
RWE 3.625%	4,148,000	€	13.02.2029		4,110	0.97
Scottish Widows 5.5%	3,000,000	£	16.06.2023		3,410	0.81
Signify 2%	2,340,000	€	11.05.2024		2,292	0.54
Standard Chartered 6.301%	1,225,000	US$	09.01.2029		1,139	0.27
Swedbank FRN	4,094,000	£	08.12.2027		4,003	0.95
Tesco 3.322%	1,680,000	£	05.11.2025		3,981	0.94
T-Mobile 4.95%	4,360,000	US$	15.03.2028		4,037	0.95
UniCredit FRN	4,000,000	€	17.01.2029		4,022	0.95
Vier Gas Transport 4%	900,000	€	26.09.2027		903	0.21
Volkswagen International Finance FRN	3,700,000	€	31.12.2099		3,279	0.77

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Vonovia 0.375%	1,400,000	€	16.06.2027		1,142	0.27
Wells Fargo FRN	3,780,000	US$	30.04.2026		3,253	0.77
Wells Fargo FRN	1,500,000	£	26.04.2028		1,564	0.37
Whitbread Group 3.375%	3,500,000	£	16.10.2025		3,759	0.89
'BB' credit rated bonds					**13,430**	**3.17**
Coventry Building Society FRN	1,500,000	£	31.12.2099		1,499	0.35
Ford Motor Credit 4.867%	2,378,000	€	03.08.2027		2,306	0.54
General Electric FRN	2,201,000	US$	29.12.2049		2,023	0.48
Marks & Spencer 3.75%	4,000,000	£	19.05.2026		4,117	0.97
Santander UK Group Holdings FRN	1,500,000	£	31.12.2099		1,511	0.36
Vodafone Group FRN	2,000,000	€	03.01.2079		1,974	0.47
'B' credit rated bonds						
Iliad Holding 6.5%	4,830,000	US$	15.10.2026		**4,250**	**1.01**
Debt derivatives					**870**	**0.21**
Credit default swaps					**870**	**0.21**
Markit iTraxx Europe Series 36 5 Year Dec 2026	26,500,000	€			307	0.07
Markit iTraxx Europe Series 38 5 Year Dec 2027	46,300,000	€			464	0.11
Marks & Spencer Jun 2026	4,800,000	€			99	0.03
Currency					**2,521**	**0.60**
Forward currency contracts					**2,521**	**0.60**
Bought for € 174,726,378.07, Sold for £ 152,749,294.24			26.04.2023		965	0.23
Bought for € 87,630,773.89, Sold for US$ 93,688,059.55			26.04.2023		1,551	0.37
Bought for £ 1,672,756.02, Sold for € 1,894,990.90			26.04.2023		8	0.00
Bought for US$ 3,038,367.98, Sold for € 2,794,939.38			26.04.2023		(3)	0.00
Portfolio of investments					**411,597**	**97.28**
Cash equivalents					**6,280**	**1.48**
'AAA' rated money market funds						
Northern Trust Global Funds - Euro Liquidity Fund Class 'D' (Accumulation)	6,481,607	€			**6,280**	**1.48**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Share class hedging					**(683)**	**(0.16)**
Bought for CHF 823,134.71, Sold for € 840,719.58			19.04.2023		(16)	0.00
Bought for € 1,540,427.19, Sold for US$ 1,657,757.76			19.04.2023		17	0.00
Bought for US$ 45,797,409.74, Sold for € 42,779,694.94			19.04.2023		(684)	(0.16)
Total portfolio					**417,194**	**98.60**
Net other assets/(liabilities)					5,943	1.40
Net assets					**423,137**	**100.00**

Portfolio summary		
Investment assets		
Debt securities	408,206	96.47
Swap contracts	870	0.21
Unrealised gains on forward currency contracts	2,541	0.60
Total Investment assets	**411,617**	**97.28**
Investment liabilities		
Unrealised losses on forward currency contracts	(703)	(0.16)
Total Investment liabilities	**(703)**	**(0.16)**
Total portfolio	**410,914**	**97.12**
Cash equivalents	**6,280**	**1.48**
Net other assets/(liabilities)	**5,943**	**1.40**
Net assets	**423,137**	**100.00**

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures		
	Swaps €'000	Forward currency contracts €'000	Collateral held as cash €'000
Barclays Bank London	72,800	0	2,883
BNP Paribas	0	14,064	0
Deutsche Bank AG	0	5,590	0
HSBC Bank Plc	0	159,752	0
JP Morgan London	489,931	1,777	0
State Street Bank and Trust Company	0	89,641	0
State Street Bank and Trust Company, London Branch	0	350,646	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

In order to ensure that European investors outside the UK had the opportunity to remain invested in M&G's sub-fund strategies, M&G proposed the mergers of non-Sterling share classes in a selection of its UK sub-funds ('the Merging Funds') into equivalent sub-funds within M&G (Lux) Investment Funds 1 ('the Receiving Funds'). Following successful extraordinary resolutions at shareholder meetings on 5 October 2018, the mergers of the non-Sterling share classes of the UK OEIC's took place on various dates prior to 29 March 2019. The past performance of the merged share class has been carried over to the equivalent SICAV share classes.

The performance table below shows the original launch dates of the share classes in the UK 'Merging Funds' in the column headed 'Launch date of the merged share class'. The launch dates of the share classes in the equivalent sub-funds within M&G (Lux) Investment Funds 1 are provided in the column headed 'Launch date of the SICAV share class'. The figure shown in the column headed 'Since performance start date' is calculated from the launch date of the merged share class, where available. 'n/a' in the launch date column for the merged share class indicates that no merged share class existed prior to the launch of the SICAV share class. In this case, the 'since performance start date' is the launch date of the SICAV share class.

The following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. For periods under a year the rate of return is calculated on an absolute basis.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
Euro						
Class 'A' Accumulation	-1.4	+1.2	+0.1	+0.6	26.07.13	26.10.18
Class 'A' Distribution	-1.4	+1.2	+0.1	+0.6	26.07.13	26.10.18
Class 'C' Accumulation	-1.2	+1.5	+0.4	+1.0	26.07.13	26.10.18
Class 'C' Distribution	-1.2	+1.5	+0.4	+1.0	26.07.13	26.10.18
Class 'CI' Accumulation	-1.2	+1.5	+0.4	+1.0	26.07.13	06.11.18
Swiss franc						
Class 'A-H' Accumulation	-2.1	+0.8	-0.3	+0.1	26.07.13	26.10.18
Class 'C-H' Accumulation	-1.9	+1.1	0.0	+0.5	26.07.13	26.10.18

M&G (Lux) Short Dated Corporate Bond Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch[a] % pa	Launch date of the OEIC merged share class	Launch date of the sub-fund share class
US dollar						
Class 'A-H' Accumulation	+1.2	+2.7	+2.1	+2.1	26.07.13	26.10.18
Class 'A-H' Distribution	+1.2	+2.7	+2.2	+2.1	08.08.14	26.10.18
Class 'C-H' Accumulation	+1.3	+3.0	+2.5	+2.6	26.07.13	26.10.18
Class 'C-H' Distribution	+1.3	+3.0	+2.4	+2.5	08.08.14	26.10.18

[a] Sub-fund performance before the launch of the sub-fund on 26 October 2018 is that of the relevant Merged Share Class of the M&G Short Dated Corporate Bond Fund, which includes UK taxes but excludes entry and exit charges. The M&G Short Dated Corporate Bond Fund is a UK authorised sub-fund which launched on 29 January 1993 and its non-Sterling share classes merged into M&G (Lux) Short Dated Corporate Bond Fund on 26 October 2018.

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	4,921,589.349	10.5599	10.7050	10.8422
Class 'A' Distribution	362,290.312	9.1351	9.3982	9.5836
Class 'C' Accumulation	2,470,590.776	10.9750	11.1089	11.2253
Class 'C' Distribution	49,890.893	9.3467	9.6010	9.7689
Class 'CI' Accumulation	29,214,737.533	10.2290	10.3498	10.4553
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,336.176	10.1290	10.3425	10.5031
Class 'C-H' Accumulation	75,764.896	10.5407	10.7490	10.8911
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	2,944,725.605	12.2439	12.0964	12.1456
Class 'A-H' Distribution	101,410.136	10.7669	10.7927	10.9145
Class 'C-H' Accumulation	509,441.374	12.7649	12.6046	12.6311
Class 'C-H' Distribution	45,108.908	11.0352	11.0525	11.1514

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	423,137	323,988	70,440
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**423,137**	**323,988**	**70,440**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	0.46
Class 'A' Distribution	0.46
Class 'C' Accumulation	0.31
Class 'C' Distribution	0.31
Class 'CI' Accumulation	0.27

M&G (Lux) Short Dated Corporate Bond Fund

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Swiss franc	**%**
Class 'A-H' Accumulation	0.48
Class 'C-H' Accumulation	0.35
US dollar	**%**
Class 'A-H' Accumulation	0.48
Class 'A-H' Distribution	0.49
Class 'C-H' Accumulation	0.33
Class 'C-H' Distribution	0.33

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

Equity markets and bonds both suffered losses in the year ended 31 March 2023, mainly because of declines in the first six months. Shares, in particular, bounced back in the second half without fully reversing the earlier losses.

The declines through September were fuelled by rising interest rates as central banks sought to cool inflation from multi-decade highs. Prices surged because of the war in Ukraine and European boycotts of Russian commodities. Continued COVID-19 disruptions also hampered global supply chains, while the wind-down of pandemic restrictions boosted demand.

Shares began to recover in late 2022 as easing inflation stoked optimism that interest rates were nearing a peak. Growing economic confidence also allowed stocks to weather the collapse of US lender Silicon Valley Bank and the forced sale of Credit Suisse to UBS in March 2023. Bond prices rose (yields fell) due to waning expectations for rate hikes.

The sub-fund posted negative returns over the review period, with losses across both equities and bonds. Over the 12 months, the sub-fund's volatility has tracked higher than expectations (12.15% for the EUR A Acc class shares vs 4-9% expected over five years, annualised) reflecting the volatility seen in the markets over the period. Over the past three years, annualised volatility was lower at 9.82%. As volatility increased both in equities and fixed income markets last year the sub-fund did not benefit from cross-asset diversification. However, we expect diversification to improve going forward given current yield levels in the fixed income space.

US shareholdings detracted from performance as increased interest rates weighed on growth-oriented technology stocks. Investment returns from other US stocks including financials were also negative. European stockholdings were profitable because higher interest rates boosted banks.

Among bond investments, the sub-fund made losses on US Treasuries as yields widened (prices fell) amid Federal Reserve rate increases. Corporate and emerging-market bond investments were also generally loss-making, with Chile being a notable exception. The sub-fund profited from buying UK gilts in a sell-off as the bonds quickly rallied following market intervention by the Bank of England.

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.

Investment activities

We took advantage of a market sell-off in April 2022 to purchase US technology stocks. The same month we added a seven-year European Investment Bank green bond to boost duration, while also selling South Africa and Chile bonds following steady performances in local-currency debt. In August, we sold US technology stocks after a market rally, along with US and European holdings exposed to housing and discretionary consumer spending.

In September, we made a tactical allocation to UK sovereign bonds after the government's spending plans sparked a gilt rout. The following month, we added a dollar-denominated Inter-American Development Bank bond because of rising US government yields. We sold two positions in short-dated US supranational bonds to increase sub-fund duration.

November moves included boosting exposure to large European banks via green bonds because of sound fundamentals at most bigger lenders and the market's overly pessimistic view on the sector. We trimmed equities following good performances and did some trades for SFDR Article 9 alignment purposes.

In January, we sold out of LG following an ESG downgrade by MSCI. We also exited Honda on sustainability concerns. Proceeds were invested in Takeda Pharmaceutical.

Outlook

Market volatility is likely to persist in the months ahead, partly because the effects of a year-long cycle of

Investment review

central bank rate increases are starting to emerge. Given this picture, we will seek to maintain high cash levels to take advantage of short-term opportunities.

Equity valuations appear to be based on an optimistic outlook for earnings and the economy, so we are relatively neutral on stocks. In terms of geographies, we prefer Europe, Japan and Asia because of lower valuations and/or earnings expectations. Our favoured sectors include technology and larger banks.

In fixed income, we continue to see opportunities across the sector for enhanced return and diversification opportunities.

Maria Municchi
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 19 May 2022, the sub-fund was categorised as an Article 8 fund under SFDR. From 20 May 2022, the sub-fund is categorised as an Article 9 fund under SFDR. Information related to the sustainable investments of the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities					**242,590**	**45.75**
United Kingdom					**29,243**	**5.51**
DS Smith	786,626	£			2,822	0.53
Greencoat UK Wind	4,563,765	£			8,147	1.54
Home REIT[a]	8,072,806	£			3,499	0.66
Legal & General Group	676,248	£			1,848	0.35
Marks & Spencer Group	1,403,605	£			2,675	0.50
Octopus Renewables Infrastructure Trust	7,306,728	£			8,064	1.52
WPP	201,270	£			2,188	0.41
Belgium						
KBC Group	29,740	€			**1,870**	**0.35**
Denmark					**10,749**	**2.03**
ALK-Abello	167,194	DKK			2,365	0.44
Novo Nordisk 'B'	19,642	DKK			2,853	0.54
Ørsted	36,769	DKK			2,847	0.54
ROCKWOOL International 'B'	11,930	DKK			2,684	0.51
France					**14,859**	**2.80**
BNP Paribas	43,254	€			2,380	0.45
Capgemini	18,521	€			3,148	0.59
Danone	60,511	€			3,484	0.66
Kering	4,700	€			2,826	0.53
Schneider Electric	19,810	€			3,021	0.57
Germany					**10,604**	**2.00**
Fresenius Medical Care	69,623	€			2,713	0.51
Mercedes-Benz Group	36,874	€			2,600	0.49
Münchener Rückversicherungs-Gesellschaft	7,728	€			2,493	0.47
SAP	24,175	€			2,798	0.53
Guernsey						
Renewables Infrastructure Group	3,829,026	£			**5,432**	**1.02**
Ireland						
Greencoat Renewables	7,291,479	€			**8,002**	**1.51**
Italy					**5,472**	**1.03**
Assicurazioni Generali	151,390	€			2,789	0.52

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Italy (continued)						
Terna - Rete Elettrica Nazionale	348,618	€			2,683	0.51
Netherlands (The)						
ING Groep	198,310	€			**2,161**	**0.41**
Spain					**12,148**	**2.29**
Amadeus IT Group	49,499	€			3,023	0.57
Banco Bilbao Vizcaya Argentaria	341,707	€			2,257	0.43
Banco Santander	880,305	€			3,030	0.57
Grifols	243,049	€			2,203	0.41
Telefónica	408,239	€			1,635	0.31
United States					**73,577**	**13.88**
Agilent Technologies	18,692	US$			2,315	0.44
Alphabet 'A'	47,802	US$			4,439	0.84
American Express	20,227	US$			3,035	0.57
Ansys	10,567	US$			3,180	0.60
Apple	23,158	US$			3,467	0.65
Ball	57,051	US$			2,851	0.54
Bank of New York Mellon	94,581	US$			3,909	0.74
BlackRock	4,129	US$			2,513	0.47
Bright Horizons Family Solutions	36,927	US$			2,592	0.49
Hannon Armstrong Sustainable Infrastructure Capital	146,500	US$			3,818	0.72
Illumina	14,616	US$			3,035	0.57
Intel	131,224	US$			3,873	0.73
Johnson Controls International	43,889	US$			2,405	0.45
Lam Research	6,919	US$			3,402	0.64
Microsoft	15,918	US$			4,171	0.79
NVIDIA	13,929	US$			3,526	0.67
PNC Financial Services Group	24,738	US$			2,888	0.55
Quest Diagnostics	24,304	US$			3,117	0.59
Republic Services	21,959	US$			2,728	0.51
Texas Instruments	22,595	US$			3,838	0.72
UnitedHealth Group	7,685	US$			3,326	0.63

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
United States (continued)						
Visa 'A'	12,476	US$			2,556	0.48
Xylem	27,441	US$			2,593	0.49
Canada						
Boralex 'A'	125,083	CA$			**3,457**	**0.65**
Brazil					**4,236**	**0.80**
AES Brasil Energia	1,170,888	BRL			2,103	0.40
Cogna Educação	6,508,588	BRL			2,133	0.40
Japan					**22,117**	**4.17**
Dai-ichi Life Holdings	124,900	¥			2,097	0.40
Daiwa House Industry	116,400	¥			2,508	0.47
Hitachi	43,100	¥			2,159	0.41
Horiba	67,900	¥			3,716	0.70
Katitas	145,600	¥			2,591	0.49
Obayashi	356,092	¥			2,492	0.47
Panasonic Holdings	288,842	¥			2,357	0.44
Sony Group	32,000	¥			2,647	0.50
Takeda Pharmaceutical	51,600	¥			1,550	0.29
Australia					**5,940**	**1.12**
Brambles	390,595	AU$			3,229	0.61
Cochlear	18,667	AU$			2,711	0.51
China						
Lenovo Group	2,826,000	HK$			**2,815**	**0.53**
Hong Kong					**4,547**	**0.86**
AIA Group	229,400	HK$			2,226	0.42
Swire Properties	977,800	HK$			2,321	0.44
India						
HDFC Bank ADR	41,611	US$			**2,534**	**0.48**
South Korea						
Samsung Electronics	57,061	KRW			**2,579**	**0.49**
Taiwan					**11,569**	**2.18**
ASE Technology Holding	760,000	TW$			2,589	0.49

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Taiwan (continued)						
Cathay Financial Holding	1,945,854	TW$			2,456	0.46
E.Sun Financial Holding	4,194,715	TW$			3,203	0.60
Taiwan Semiconductor Manufacturing	206,000	TW$			3,321	0.63
Georgia						
Bank of Georgia Group	92,335	£			**2,888**	**0.55**
Israel						
SolarEdge Technologies	10,315	US$			**2,816**	**0.53**
South Africa						
Sanlam	1,023,537	ZAR			**2,975**	**0.56**
Fixed income					**273,526**	**51.58**
Supranational					**83,283**	**15.71**
Investment grade corporate bonds					**83,283**	**15.71**
European Bank for Reconstruction & Development 4.25%	95,460,000,000	IDR	07.02.2028		5,378	1.01
European Investment Bank 0%	202,680,000	ZAR	18.10.2032		4,238	0.80
Inter-American Development Bank 3.2%	11,554,000	US$	07.08.2042		9,231	1.74
Inter-American Development Bank 4.375%	30,866,000	US$	24.01.2044		29,154	5.50
Inter-American Development Bank 5.1%	85,250,000,000	IDR	17.11.2026		5,062	0.96
International Bank for Reconstruction & Development 0%	209,000,000	ZAR	29.12.2028		6,533	1.23
International Bank for Reconstruction & Development 4.25%	204,580,000	MXN	22.01.2026		9,104	1.72
International Bank for Reconstruction & Development 5%	62,150,000	BRL	22.01.2026		9,818	1.85
International Bank for Reconstruction & Development 6.875%	87,600,000	MXN	09.02.2029		4,117	0.78
International Bank for Reconstruction & Development 7.07%	14,100,000	MXN	26.06.2029		648	0.12
United Kingdom					**8,450**	**1.59**
Government bonds						
UK Gilt 1.5%	8,637,918	£	31.07.2053		**5,723**	**1.08**
Below investment grade corporate bonds						
Vodafone Group 0.9%	2,962,000	€	24.11.2026		**2,727**	**0.51**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Belgium						
Below investment grade corporate bonds						
KBC Group FRN	2,900,000	€	01.03.2027		**2,592**	**0.49**
France					**7,438**	**1.40**
Below investment grade corporate bonds					**7,438**	**1.40**
Renault 1%	2,731,000	€	28.11.2025		2,534	0.48
Société Générale FRN	3,000,000	€	22.09.2028		2,567	0.48
Unibail-Rodamco-Westfield 1%	2,480,000	€	14.03.2025		2,337	0.44
Germany					**101,947**	**19.22**
Government bonds					**95,489**	**18.00**
Germany (Federal Republic of) 0%	24,247,000	€	13.04.2023		24,231	4.57
Germany (Federal Republic of) 0%	37,709,000	€	17.05.2023		37,589	7.08
Germany (Federal Republic of) 0%	34,119,906	€	20.09.2023		33,669	6.35
Investment grade corporate bonds					**4,941**	**0.93**
Kreditanstalt für Wiederaufbau 0%	1,322,000	€	15.09.2028		1,132	0.21
Kreditanstalt für Wiederaufbau 0.01%	1,284,000	€	05.05.2027		1,141	0.22
Mercedes-Benz Group 0.75%	1,799,000	€	10.09.2030		1,494	0.28
Mercedes-Benz Group 0.75%	1,521,000	€	11.03.2033		1,174	0.22
Below investment grade corporate bonds						
ZF Finance 2.25%	1,800,000	€	03.05.2028		**1,517**	**0.29**
Ireland						
Corporate bonds with no credit rating						
Sovcombank Via SovCom Capital FRN[bc]	200,000	US$	07.04.2030		**0**	**0.00**
Italy						
Below investment grade corporate bonds						
Intesa Sanpaolo 4.75%	2,616,000	€	06.09.2027		**2,611**	**0.49**
Luxembourg						
Below investment grade corporate bonds						
ALROSA Finance 3.1%[c]	200,000	US$	25.06.2027		**12**	**0.00**
Netherlands (The)					**3,683**	**0.70**
Below investment grade corporate bonds					**3,683**	**0.70**
EDP Finance 0.375%	1,291,000	€	16.09.2026		1,154	0.22

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Netherlands (The) (continued)						
Below investment grade corporate bonds (continued)						
ING Groep 2.5%	2,800,000	€	15.11.2030		2,529	0.48
Portugal						
Below investment grade corporate bonds						
EDP - Energias de Portugal 1.625%	1,700,000	€	15.04.2027		**1,569**	**0.30**
Sweden					**5,517**	**1.04**
Below investment grade corporate bonds					**5,517**	**1.04**
Swedbank FRN	2,895,000	€	20.05.2027		2,541	0.48
Volvo Car 2.5%	1,660,000	€	07.10.2027		1,492	0.28
Volvo Car 4.25%	1,566,000	€	31.05.2028		1,484	0.28
United States					**30,166**	**5.69**
Investment grade corporate bonds					**19,510**	**3.68**
Apple 0%	1,927,000	€	15.11.2025		1,778	0.33
Apple 3%	2,019,000	US$	20.06.2027		1,787	0.34
Inter-American Development Bank 0.875%	14,146,000	US$	03.04.2025		12,183	2.30
International Bank for Reconstruction & Development 0%	6,720,000	BRL	30.01.2024		1,104	0.21
Prologis 1.25%	3,690,000	US$	15.10.2030		2,658	0.50
Below investment grade corporate bonds					**9,572**	**1.80**
Ball 2.875%	1,654,000	US$	15.08.2030		1,249	0.24
Ball 3.125%	1,990,000	US$	15.09.2031		1,500	0.28
Boston Properties 2.55%	1,477,000	US$	01.04.2032		964	0.18
Boston Properties 4.5%	1,429,000	US$	01.12.2028		1,137	0.21
DaVita 3.75%	1,594,000	US$	15.02.2031		1,141	0.22
DaVita 4.625%	1,123,000	US$	01.06.2030		871	0.16
Xylem 1.95%	1,339,000	US$	30.01.2028		1,095	0.21
Xylem 2.25%	2,104,000	US$	30.01.2031		1,615	0.30
Interest rate futures						
US Ultra Bond Futures	260	US$	21.06.2023	221	**1,084**	**0.21**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Chile					**15,827**	**2.99**
Government bonds					**15,827**	**2.99**
Chile (Republic of) 1.25%	8,409,000	€	29.01.2040		5,630	1.06
Chile (Republic of) 5%	9,210,000,000	CLP	01.10.2028		10,197	1.93
Colombia						
Government bonds						
Colombia (Republic of) 7%	68,292,800,000	COP	26.03.2031		**10,303**	**1.94**
Panama						
Below investment grade corporate bonds						
UEP Penonome II 6.5%	184,656	US$	01.10.2038		**128**	**0.02**
Currency					**(566)**	**(0.11)**
Forward currency contracts						
Bought for US$ 11,360,228.73, Sold for TWD 341,658,879.00			12.04.2023		128	0.02
Bought for DKK 17,212,782.07, Sold for € 2,315,365.90			28.04.2023		(4)	0.00
Bought for € 5,749,395.66, Sold for AUD 8,904,567.41			28.04.2023		271	0.05
Bought for € 3,215,759.25, Sold for CAD 4,717,571.88			28.04.2023		16	0.00
Bought for € 12,822,059.34, Sold for DKK 95,308,242.92			28.04.2023		24	0.01
Bought for € 45,384,689.11, Sold for £ 40,140,099.38			28.04.2023		(274)	(0.05)
Bought for € 8,021,080.32, Sold for HKD 67,485,271.07			28.04.2023		113	0.02
Bought for € 156,495,368.58, Sold for US$ 170,929,651.83			28.04.2023		(536)	(0.10)
Bought for £ 1,682,362.81, Sold for € 1,901,880.95			28.04.2023		12	0.00
Bought for US$ 24,781,571.36, Sold for € 23,083,539.59			28.04.2023		(316)	(0.06)
Portfolio of investments					**515,550**	**97.22**
Share class hedging					**(100)**	**(0.02)**
Bought for CHF 349,641.66, Sold for € 359,726.42			19.04.2023		(9)	0.00
Bought for € 2,686.21, Sold for CHF 2,669.74			19.04.2023		0	0.00
Bought for € 1,781.35, Sold for SGD 2,560.02			19.04.2023		0	0.00
Bought for € 180,779.88, Sold for US$ 194,464.57			19.04.2023		2	0.00
Bought for £ 186,978.27, Sold for € 211,159.06			19.04.2023		1	0.00

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Share class hedging (continued)						
Bought for SGD 138,176.86, Sold for € 95,653.93			19.04.2023		0	0.00
Bought for US$ 6,861,183.48, Sold for € 6,400,933.05			19.04.2023		(94)	(0.02)
Total portfolio					**515,450**	**97.20**
Net other assets/(liabilities)					14,851	2.80
Net assets					**530,301**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	229,011	43.19
Equity portfolios	13,579	2.56
Debt securities	272,442	51.37
Unrealised gains on futures contracts	1,084	0.21
Unrealised gains on forward currency contracts	567	0.10
Total Investment assets	**516,683**	**97.43**
Investment liabilities		
Unrealised losses on forward currency contracts	(1,233)	(0.23)
Total Investment liabilities	**(1,233)**	**(0.23)**
Total portfolio	**515,450**	**97.20**
Net other assets/(liabilities)	**14,851**	**2.80**
Net assets	**530,301**	**100.00**

[a] Suspended.

[b] Fair valued.

[c] As part of the sub-fund merger between the M&G (Lux) Sustainable Allocation Fund and M&G (Lux) Conservative Allocation Fund on 21 October 2022, two sanctioned Russian-listed securities were transferred into the beneficial ownership of the M&G (Lux) Sustainable Allocation Fund. As both sub-funds have been prohibited from selling these assets, they have remained in a custody account of M&G (Lux) Conservative Allocation Fund.

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

Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.

Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.

Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures		
	Forward currency contracts €'000	Futures €'000	Collateral held as cash €'000
Bank of America Merrill Lynch	0	221	0
HSBC Bank Plc	83,297	0	0
JP Morgan London	163,411	0	0
National Australia Bank Ltd	259,022	0	1,430
Standard Chartered Bank	7,809	0	0
State Street Bank and Trust Company	14,407	0	0
State Street Bank and Trust Company, London Branch	46,347	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-9.1	+4.5	n/a	+2.1	04.12.18
Class 'A' Distribution	-9.1	+4.5	n/a	+2.1	04.12.18
Class 'B' Accumulation	-9.5	+4.0	n/a	+1.6	04.12.18
Class 'B' Distribution	-9.5	+4.0	n/a	+1.6	04.12.18
Class 'C' Accumulation	-8.3	+5.4	n/a	+3.0	04.12.18
Class 'C' Distribution	-8.3	+5.4	n/a	+3.0	04.12.18
Class 'CI' Accumulation	-8.2	+5.5	n/a	+3.0	04.12.18
Class 'CI' Distribution	-8.2	+5.5	n/a	+3.0	04.12.18
Class 'JI' Accumulation	n/a	n/a	n/a	+3.1	16.06.22
Class 'L' Accumulation	-8.0	+5.7	n/a	+3.3	04.12.18
Class 'LI' Accumulation	-8.0	+5.7	n/a	+3.3	04.12.18
Class 'Z' Accumulation	-7.7	+6.1	n/a	+3.6	04.12.18
Class 'ZI' Accumulation	-7.7	+6.1	n/a	+3.7	04.12.18
Singapore dollar					
Class 'A-H' Accumulation	-6.9	+5.9	n/a	+3.7	04.12.18
Class 'A-H' Distribution	-6.9	+5.9	n/a	+3.6	04.12.18
Class 'C-H' Accumulation	-6.2	+6.9	n/a	+4.6	04.12.18
Class 'C-H' Distribution	-6.0	+6.9	n/a	+4.6	04.12.18
Class 'L-H' Accumulation	-5.9	+7.1	n/a	+4.8	04.12.18
Sterling					
Class 'C-H' Accumulation	-7.0	+6.4	n/a	+3.8	04.12.18
Class 'L-H' Accumulation	-6.8	+6.7	n/a	+4.1	04.12.18

M&G (Lux) Sustainable Allocation Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Swiss franc					
Class 'A-H' Accumulation	-9.8	+4.0	n/a	+1.7	04.12.18
Class 'A-H' Distribution	-9.7	+4.1	n/a	+1.7	04.12.18
Class 'C-H' Accumulation	-9.0	+5.0	n/a	+2.6	04.12.18
Class 'C-H' Distribution	-8.9	+5.0	n/a	+2.6	04.12.18
US dollar					
Class 'A-H' Accumulation	-6.2	+6.3	n/a	+4.1	04.12.18
Class 'A-H' Distribution	-6.1	+6.3	n/a	+4.1	04.12.18
Class 'C-H' Accumulation	-5.3	+7.3	n/a	+5.1	04.12.18
Class 'C-H' Distribution	-5.2	+7.3	n/a	+5.1	04.12.18
Class 'CI-H' Accumulation	-5.3	+7.3	n/a	+5.1	04.12.18
Class 'L-H' Accumulation	-5.2	+7.5	n/a	+5.3	04.12.18

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	26,119,447.355	10.9300	12.0233	11.5041
Class 'A' Distribution	3,047,848.794	9.7243	11.0493	10.8365
Class 'B' Accumulation	4,469,231.899	10.6956	11.8244	11.3704
Class 'B' Distribution	1,506,035.259	9.5173	10.8687	10.7133
Class 'C' Accumulation	7,806,997.126	11.3624	12.3876	11.7459
Class 'C' Distribution	286,299.115	10.1152	11.3902	11.0701
Class 'CI' Accumulation	3,353,779.996	11.3860	12.4078	11.7604
Class 'CI' Distribution	4,600.000	10.1332	11.4051	11.0800
Class 'JI' Accumulation	5,196.174	10.3125	n/a	n/a
Class 'L' Accumulation	266,521.983	11.4866	12.4903	11.8138
Class 'LI' Accumulation	1,141,161.437	11.5051	12.5060	11.8239
Class 'Z' Accumulation	1,000.000	11.6668	12.6432	11.9163
Class 'ZI' Accumulation	4,600.000	11.6851	12.6571	11.9247
Singapore dollar		**SG$**	**SG$**	**SG$**
Class 'A-H' Accumulation	2,400.000	11.6770	12.5428	11.8880
Class 'A-H' Distribution	2,400.000	10.3427	11.4822	11.1558
Class 'C-H' Accumulation	2,400.000	12.1266	12.9224	12.1404
Class 'C-H' Distribution	2,400.000	10.7576	11.8299	11.3931
Class 'L-H' Accumulation	2,400.000	12.2561	13.0298	12.2106
Sterling		**£**	**£**	**£**
Class 'C-H' Accumulation	13,450.000	11.7701	12.6521	11.9095
Class 'L-H' Accumulation	2,400.000	11.8972	12.7585	11.9767

Financial highlights

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	11,938.955	10.7450	11.9187	11.4404
Class 'A-H' Distribution	2,400.000	9.5840	10.9679	10.7844
Class 'C-H' Accumulation	15,663.566	11.1754	12.2841	11.6812
Class 'C-H' Distribution	2,400.000	9.9587	11.2942	11.0103
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	494,818.749	11.9123	12.7036	12.0488
Class 'A-H' Distribution	47,863.036	10.5655	11.6254	11.3030
Class 'C-H' Accumulation	21,863.679	12.4005	13.0964	12.3104
Class 'C-H' Distribution	2,400.000	11.0003	11.9950	11.5546
Class 'CI-H' Accumulation	4,600.000	12.4097	13.1110	12.3209
Class 'L-H' Accumulation	2,400.000	12.5169	13.2017	12.3803

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	530,301	72,459	51,254
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**530,301**	**72,459**	**51,254**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.78
Class 'A' Distribution	1.78
Class 'B' Accumulation	2.28
Class 'B' Distribution	2.28
Class 'C' Accumulation	0.88
Class 'C' Distribution	0.89
Class 'CI' Accumulation	0.84
Class 'CI' Distribution	0.84
Class 'JI' Accumulation	0.74
Class 'L' Accumulation	0.63
Class 'LI' Accumulation	0.59
Class 'Z' Accumulation	0.28
Class 'ZI' Accumulation	0.24

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Singapore dollar	**%**
Class 'A-H' Accumulation	1.79
Class 'A-H' Distribution	1.79
Class 'C-H' Accumulation	0.89
Class 'C-H' Distribution	0.89
Class 'L-H' Accumulation	0.64
Sterling	**%**
Class 'C-H' Accumulation	0.90
Class 'L-H' Accumulation	0.65
Swiss franc	**%**
Class 'A-H' Accumulation	1.79
Class 'A-H' Distribution	1.79
Class 'C-H' Accumulation	0.89
Class 'C-H' Distribution	0.89
US dollar	**%**
Class 'A-H' Accumulation	1.80
Class 'A-H' Distribution	1.79
Class 'C-H' Accumulation	0.89
Class 'C-H' Distribution	0.88
Class 'CI-H' Accumulation	0.86
Class 'L-H' Accumulation	0.64

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

In the first half of the review period, the outlook for emerging market debt continued to worsen due to sharp rises in interest rates. Furthermore, higher food and energy prices in developing countries pushed up inflation expectations, causing a spill-over into other goods and services. A strong US dollar exacerbated the situation, resulting in a flight of capital from emerging markets.

However, emerging market bonds rebounded strongly in the fourth quarter of 2022. This strong performance continued into the new year amid optimism about the reopening Chinese economy and expectations that major central banks would end their interest-rate hiking cycle in 2023. Moreover, major emerging market currencies such as the Mexican peso and Brazilian real rallied against the US dollar. Nonetheless, the US banking crisis in March created heightened volatility among lower-rated financial issuers.

All segments of the emerging market debt asset class registered negative returns over the review period, with local currency sovereign debt outperforming corporate bonds and hard currency sovereigns.

Early in the period, security selection weighed on relative performance, particularly our choices in Latin America. However, in the third and fourth quarters of 2022 security selection was favourable, with our holdings in Mexico and the Philippines among the positive contributors. Country allocation also added value in late 2022. Towards the end of the review period, both security selection and country allocation contributed negatively. Our overweight exposure to banking was unhelpful.

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.

Investment activities

There were changes to the sub-fund's positioning, with a sizeable shift from high yield to investment grade corporate bonds during the review period. We increased our exposure to the banking and financial services sector and trimmed our holdings in telecommunications and utilities. We maintained the sub-fund's duration positioning broadly in line with the benchmark throughout the review period.

Outlook

Overall, we believe the macroeconomic backdrop is favourable for emerging market bonds in 2023. An environment of modest economic growth and cooling inflation should be supportive. Inflation has started to moderate in many emerging economies due to the recent fall in food and energy prices. Food accounts for 30-45% of the consumer price index in poorer emerging markets. Meanwhile, we believe fundamentals remain generally robust at both a corporate and a sovereign level.

We also feel that emerging market bonds appear compelling from a valuation perspective, offering higher real yields when compared to developed market bonds. As inflation moderates and central banks slow the pace of interest rate hikes, current yields may look especially appealing, most notably within local currency bonds.

As for corporate bonds, we favour high yield over investment grade on valuation grounds, especially in Latin America and the Middle East. We continue to be selective and carry out detailed credit analysis to unearth interesting opportunities in the high yield segment.

Charles de Quinsonas
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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.

Investment review

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

The sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income					**33,349**	**98.43**
Debt securities					**33,368**	**98.48**
'AA' credit rated bonds					**2,547**	**7.52**
First Abu Dhabi Bank 5.125%	200,000	US$	13.10.2027		204	0.60
MDGH GMTN RSC 2.875%	600,000	US$	07.11.2029		542	1.60
TSMC Global 1%	200,000	US$	28.09.2027		172	0.51
TSMC Global 2.25%	700,000	US$	23.04.2031		589	1.74
US Treasury Note 0.25%	1,050,000	US$	15.06.2023		1,040	3.07
'A' credit rated bonds					**3,057**	**9.02**
AIA Group FRN	400,000	US$	31.12.2099		346	1.02
Bank Gospodarstwa Krajowego 3%	300,000	€	30.05.2029		299	0.88
Bank of China FRN	200,000	US$	10.08.2024		199	0.59
BOC Aviation 3.875%	800,000	US$	27.04.2026		768	2.26
CBQ Finance 2%	200,000	US$	15.09.2025		186	0.55
Empresa de Transporte de Pasajeros Metro 3.65%	225,000	US$	07.05.2030		206	0.61
Ooredoo International Finance 2.625%	600,000	US$	08.04.2031		521	1.54
QNB Finance 1.375%	400,000	US$	26.01.2026		363	1.07
Tencent Holdings 2.39%	200,000	US$	03.06.2030		169	0.50
'BBB' credit rated bonds					**9,375**	**27.67**
Banco de Crédito del Perú FRN	378,000	US$	01.07.2030		342	1.01
Banco General 4.125%	320,000	US$	07.08.2027		296	0.87
Bank Leumi FRN	200,000	US$	18.07.2033		195	0.57
Bank Mandiri Persero 5.5%	200,000	US$	04.04.2026		202	0.60
Bank of East Asia FRN	250,000	US$	22.04.2032		221	0.65
Burgan Bank FRN	200,000	US$	15.12.2031		153	0.45
Celulosa Arauco y Constitución 4.25%	200,000	US$	30.04.2029		184	0.54
Ceske Drahy 5.625%	300,000	€	12.10.2027		334	0.99
Consorcio Transmantaro 5.2%	200,000	US$	11.04.2038		181	0.53
DBS Group Holdings FRN	400,000	US$	31.12.2099		374	1.10
Development Bank of Kazakhstan 8.95%	66,000,000	KZT	04.05.2023		141	0.42
Flex 6%	172,000	US$	15.01.2028		174	0.51
Globe Telecom 2.5%	200,000	US$	23.07.2030		160	0.47
Globe Telecom 3%	200,000	US$	23.07.2035		148	0.44

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Gold Fields Orogen Holdings 6.125%	300,000	US$	15.05.2029		302	0.89
Indian Railway Finance 3.249%	200,000	US$	13.02.2030		175	0.52
Indian Railway Finance 3.57%	200,000	US$	21.01.2032		174	0.51
Indonesia (Republic of) 5.65%	200,000	US$	11.01.2053		209	0.62
Indonesia (Republic of) 6.625%	300,000	US$	17.02.2037		346	1.02
Inmobiliaria Vesta 3.625%	229,000	US$	13.05.2031		186	0.55
Lenovo Group 3.421%	650,000	US$	02.11.2030		547	1.61
Mashreqbank FRN	400,000	US$	24.02.2033		412	1.22
Meituan 3.05%	282,000	US$	28.10.2030		226	0.67
Mizrahi Tefahot Bank FRN	400,000	US$	07.04.2031		341	1.01
NBK Tier 1 Financing FRN	200,000	US$	31.12.2099		182	0.54
Peru (Republic of) 2.4%	400,000	US$	28.09.2027		343	1.01
Peru (Republic of) 5.35%	500,000	PEN	12.08.2040		104	0.31
Philippines (Republic of) 5.17%	400,000	US$	13.10.2027		412	1.22
Prosus 3.257%	275,000	US$	19.01.2027		250	0.74
Prosus 3.68%	200,000	US$	21.01.2030		170	0.50
Shinhan Bank 4.375%	200,000	US$	13.04.2032		184	0.54
SK Hynix 2.375%	400,000	US$	19.01.2031		299	0.88
Sociedad Quimica y Minera de Chile 3.5%	400,000	US$	10.09.2051		281	0.83
Standard Chartered FRN	600,000	US$	29.06.2032		470	1.39
Tower Bersama Infrastructure 4.25%	200,000	US$	21.01.2025		194	0.57
United Overseas Bank FRN	200,000	US$	14.10.2031		176	0.52
Uruguay (Republic of) 8.25%	12,500,000	UYU	21.05.2031		287	0.85
'BB' credit rated bonds					**13,725**	**40.51**
Alsea 7.75%	200,000	US$	14.12.2026		193	0.57
ATP Tower Holdings Via Andean Tower Partners Colombia Via Andean Telecom Partner 4.05%	300,000	US$	27.04.2026		260	0.77
Banco Continental SAECA 2.75%	200,000	US$	10.12.2025		177	0.52
Banco Mercantil del Norte FRN	400,000	US$	31.12.2099		335	0.99
Banco Nacional de Comercio Exterior FRN	600,000	US$	11.08.2031		506	1.49
Bangkok Bank FRN	600,000	US$	25.09.2034		511	1.51

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Bank Muscat 4.75%	400,000	US$	17.03.2026		386	1.14
Bank Negara Indonesia FRN	200,000	US$	31.12.2099		163	0.48
BBVA Bancomer FRN	400,000	US$	18.01.2033		341	1.01
Bidvest Group 3.625%	390,000	US$	23.09.2026		354	1.04
Bioceanico Sovereign Certificate 0%	182,657	US$	05.06.2034		124	0.37
Brazil (Federal Republic of) 10%	931,000	BRL	01.01.2029		165	0.49
Canpack Via Canpack US 3.125%	200,000	US$	01.11.2025		180	0.53
Canpack Via Canpack US 3.875%	200,000	US$	15.11.2029		160	0.47
Cemex 5.45%	400,000	US$	19.11.2029		375	1.11
Colombia (Republic of) 7.75%	600,000,000	COP	18.09.2030		105	0.31
Colombia (Republic of) 8%	400,000	US$	20.04.2033		409	1.21
Colombia Telecomunicaciones 4.95%	400,000	US$	17.07.2030		293	0.86
Dominican (Republic of) 6.85%	200,000	US$	27.01.2045		178	0.53
Dominican (Republic of) 8%	7,000,000	DOP	12.02.2027		109	0.32
Eastern & Southern African Trade & Development Bank 4.125%	600,000	US$	30.06.2028		496	1.46
Endeavour Mining 5%	200,000	US$	14.10.2026		168	0.50
Globo Comunicação e Participações 5.5%	300,000	US$	14.01.2032		238	0.70
Greenko Power II 4.3%	191,000	US$	13.12.2028		164	0.48
Greenko Solar Mauritius 5.95%	200,000	US$	29.07.2026		188	0.55
Grupo Aval 4.375%	200,000	US$	04.02.2030		149	0.44
Guatemala (Republic of) 5.375%	200,000	US$	24.04.2032		194	0.57
InRetail Consumer 3.25%	400,000	US$	22.03.2028		344	1.02
Kasikornbank FRN	200,000	US$	10.08.2041		166	0.49
Klabin Austria 3.2%	200,000	US$	12.01.2031		164	0.48
Levi Strauss 3.375%	200,000	€	15.03.2027		203	0.60
Macy's Retail Holdings 5.875%	230,000	US$	01.04.2029		210	0.62
MAF Global Securities 6.375%	400,000	US$	31.12.2099		390	1.15
MAS Securities 4.25%	300,000	€	19.05.2026		272	0.80
Metalsa 3.75%	350,000	US$	04.05.2031		263	0.78
Millicom International Cellular 4.5%	600,000	US$	27.04.2031		477	1.41

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Minsur 4.5%	300,000	US$	28.10.2031		256	0.76
Network i2i FRN	400,000	US$	31.12.2099		382	1.13
Nexa Resources 5.375%	400,000	US$	04.05.2027		375	1.11
Rede D'Ór Finance 4.5%	400,000	US$	22.01.2030		329	0.97
Rede D'Ór Finance 4.95%	200,000	US$	17.01.2028		180	0.53
ReNew Wind Energy AP2 Via ReNew Power and other 9 Subsidiaries 4.5%	400,000	US$	14.07.2028		335	0.99
Sable International Finance 5.75%	200,000	US$	07.09.2027		187	0.55
Sagicor Financial 5.3%	400,000	US$	13.05.2028		379	1.12
Serbia (Republic of) 3.125%	200,000	€	15.05.2027		196	0.58
Service Corp International 3.375%	80,000	US$	15.08.2030		68	0.20
South Africa (Republic of) 5.75%	200,000	US$	30.09.2049		147	0.43
South Africa (Republic of) 8.5%	2,000,000	ZAR	31.01.2037		90	0.27
Telefónica Celular del Paraguay 5.875%	400,000	US$	15.04.2027		365	1.08
UEP Penonome II 6.5%	369,311	US$	01.10.2038		279	0.82
Uzbek Industrial and Construction Bank 5.75%	400,000	US$	02.12.2024		370	1.09
Woori Bank FRN	400,000	US$	31.12.2099		377	1.11
'B' credit rated bonds					**3,003**	**8.86**
Absa Group FRN	200,000	US$	31.12.2099		180	0.53
Axian Telecom 7.375%	200,000	US$	16.02.2027		182	0.54
Aydem Yenilenebilir Enerji 7.75%	200,000	US$	02.02.2027		170	0.50
Banco Davivienda FRN	200,000	US$	31.12.2099		138	0.41
Banco Industrial FRN	200,000	US$	29.01.2031		186	0.55
ERO Copper 6.5%	220,000	US$	15.02.2030		192	0.57
First Quantum Minerals 6.875%	200,000	US$	15.10.2027		193	0.57
HTA Group 7%	200,000	US$	18.12.2025		190	0.56
IHS Holding 6.25%	200,000	US$	29.11.2028		161	0.47
Kenbourne Invest 4.7%	200,000	US$	22.01.2028		117	0.34
Kenbourne Invest 6.875%	200,000	US$	26.11.2024		152	0.45
Liberty Costa Rica Senior Secured Finance 10.875%	200,000	US$	15.01.2031		189	0.56

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Liquid Telecom Finance 5.5%	200,000	US$	04.09.2026		136	0.40
Oriflame Investment Holding 5.125%	200,000	US$	04.05.2026		122	0.36
Silknet 8.375%	200,000	US$	31.01.2027		196	0.58
Total Play Telecomunicaciones 6.375%	200,000	US$	20.09.2028		97	0.28
Türk Telekom 6.875%	200,000	US$	28.02.2025		193	0.57
VTR Comunicaciones 5.125%	320,000	US$	15.01.2028		209	0.62
'CCC' credit rated bonds					**941**	**2.78**
Access Bank 6.125%	200,000	US$	21.09.2026		160	0.47
Akbank FRN	200,000	US$	27.04.2028		200	0.59
Banco do Brasil FRN	400,000	US$	29.10.2049		366	1.08
Hacienda Investments Via DME Airport 5.35%	400,000	US$	08.02.2028		215	0.64
'CC' credit rated bonds						
Atento Luxco 1 8%	180,000	US$	10.02.2026		**58**	**0.17**
'C' credit rated bonds					**381**	**1.12**
Argentina (Republic of) 1.5%	600,000	US$	09.07.2035		155	0.46
Easy Tactic 7.5%	216,073	US$	11.07.2025		60	0.17
Easy Tactic 7.5%	216,076	US$	11.07.2028		50	0.15
Kernel Holding 6.75%	200,000	US$	27.10.2027		116	0.34
'D' credit rated bonds					**39**	**0.12**
Yuzhou Group Holdings 7.85%	200,000	US$	12.08.2026		19	0.06
Yuzhou Group Holdings 8.3%	200,000	US$	27.05.2025		20	0.06
Bonds with no credit rating					**242**	**0.71**
Commercial Bank FRN	200,000	US$	31.12.2099		180	0.53
Dominican (Republic of) 8%	4,000,000	DOP	15.01.2027		62	0.18
Sovcombank Via SovCom Capital FRN[a]	200,000	US$	07.04.2030		0	0.00
Debt derivatives					**(19)**	**(0.05)**
Interest rate futures						
Deutscher Bobl 5 year Futures	(7)	€	08.06.2023	8	**(19)**	**(0.05)**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Currency					**(22)**	**(0.06)**
Forward currency contracts					**(22)**	**(0.06)**
Bought for € 413,475.30, Sold for US$ 447,219.83			01.06.2023		3	0.01
Bought for US$ 1,772,981.31, Sold for € 1,649,247.55			01.06.2023		(25)	(0.07)
Portfolio of investments					**33,327**	**98.37**
Share class hedging					**124**	**0.36**
Bought for € 7,816,946.58, Sold for US$ 8,379,254.05			19.04.2023		126	0.37
Bought for £ 41,294.88, Sold for US$ 49,988.19			19.04.2023		1	0.00
Bought for US$ 142,499.21, Sold for € 133,060.06			19.04.2023		(3)	(0.01)
Bought for US$ 287.93, Sold for £ 234.52			19.04.2023		0	0.00
Total portfolio					**33,451**	**98.73**
Net other assets/(liabilities)					431	1.27
Net assets					**33,882**	**100.00**

Portfolio summary		
Investment assets		
Debt securities	33,368	98.48
Unrealised gains on forward currency contracts	130	0.38
Total Investment assets	**33,498**	**98.86**
Investment liabilities		
Unrealised losses on futures contracts	(19)	(0.05)
Unrealised losses on forward currency contracts	(28)	(0.08)
Total Investment liabilities	**(47)**	**(0.13)**
Total portfolio	**33,451**	**98.73**
Net other assets/(liabilities)	**431**	**1.27**
Net assets	**33,882**	**100.00**

[a] Fair valued.

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

Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.

Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.

Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures	
	Forward currency contracts US$'000	Futures US$'000
Bank of America Merrill Lynch	0	8
Citigroup Global Markets Limited	3,385	0
HSBC Bank Plc	44	0
JP Morgan London	880	0
Merrill Lynch Pierce Fenner + Smith Inc	153	0
State Street Bank and Trust Company	17,265	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A-H' Accumulation	-6.2	+1.8	n/a	-3.4	25.07.19
Class 'A-H' Distribution	-6.3	+1.8	n/a	-3.3	25.07.19
Class 'C-H' Accumulation	-5.3	+2.7	n/a	-2.5	25.07.19
Class 'C-H' Distribution	-5.4	+2.8	n/a	-2.5	25.07.19
Class 'CI-H' Accumulation	-5.3	+2.8	n/a	-2.4	25.07.19
Class 'CI-H' Distribution	-5.3	+2.8	n/a	-2.5	25.07.19
Class 'LI-H' Accumulation	-5.1	+3.0	n/a	-2.2	25.07.19
Class 'LI-H' Distribution	-5.1	+3.0	n/a	-2.2	25.07.19
Sterling					
Class 'C' Accumulation	+3.5	+4.5	n/a	-1.0	27.09.19
Class 'C' Distribution	+3.5	+4.6	n/a	-0.9	27.09.19
Class 'C-H' Accumulation	-3.9	+3.8	n/a	-2.0	27.09.19
Class 'C-H' Distribution	-3.9	+3.8	n/a	-2.0	27.09.19
US dollar					
Class 'A' Accumulation	-3.3	+3.7	n/a	-1.4	25.07.19
Class 'A' Distribution	-3.3	+3.6	n/a	-1.4	25.07.19
Class 'C' Accumulation	-2.4	+4.6	n/a	-0.5	25.07.19
Class 'C' Distribution	-2.4	+4.6	n/a	-0.5	25.07.19
Class 'CI' Accumulation	-2.4	+4.6	n/a	-0.4	25.07.19
Class 'CI' Distribution	-2.4	+4.6	n/a	-0.5	25.07.19
Class 'LI' Accumulation	-2.2	+4.9	n/a	-0.2	25.07.19
Class 'LI' Distribution	-2.2	+4.9	n/a	-0.2	25.07.19

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A-H' Accumulation	28,222.538	8.8174	9.3987	10.3013
Class 'A-H' Distribution	4,895.664	7.4011	8.3213	9.5533
Class 'C-H' Accumulation	44,345.014	9.1003	9.6143	10.4429
Class 'C-H' Distribution	2,445.000	7.6507	8.5230	9.6976
Class 'CI-H' Accumulation	504,610.000	9.1307	9.6419	10.4658
Class 'CI-H' Distribution	304,615.000	7.6598	8.5302	9.7024
Class 'LI-H' Accumulation	4,625.000	9.2148	9.7088	10.5139
Class 'LI-H' Distribution	4,630.000	7.7329	8.5915	9.7474
Sterling		**£**	**£**	**£**
Class 'C' Accumulation	522,281.368	9.6688	9.3457	9.5826
Class 'C' Distribution	1,000.000	8.1866	8.3433	8.9616
Class 'C-H' Accumulation	2,400.000	9.3040	9.6768	10.4326
Class 'C-H' Distribution	2,400.000	7.8783	8.6414	9.7547
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	18,102.385	9.5001	9.8260	10.6589
Class 'A' Distribution	4,173.039	7.9697	8.6938	9.8823
Class 'C' Accumulation	26,791.080	9.8217	10.0677	10.8236
Class 'C' Distribution	2,435.000	8.2429	8.9096	10.0348
Class 'CI' Accumulation	4,600.000	9.8362	10.0783	10.8303
Class 'CI' Distribution	4,605.000	8.2529	8.9179	10.0414
Class 'LI' Accumulation	1,870,000.000	9.9263	10.1459	10.8756
Class 'LI' Distribution	4,620.000	8.3301	8.9783	10.0840

M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund

Financial highlights

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	33,882	37,006	37,848
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**33,882**	**37,006**	**37,848**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A-H' Accumulation	1.72
Class 'A-H' Distribution	1.72
Class 'C-H' Accumulation	0.82
Class 'C-H' Distribution	0.82
Class 'CI-H' Accumulation	0.78
Class 'CI-H' Distribution	0.78
Class 'LI-H' Accumulation	0.53
Class 'LI-H' Distribution	0.54
Sterling	**%**
Class 'C' Accumulation	0.81
Class 'C' Distribution	0.80
Class 'C-H' Accumulation	0.81
Class 'C-H' Distribution	0.81
US dollar	**%**
Class 'A' Accumulation	1.70
Class 'A' Distribution	1.71
Class 'C' Accumulation	0.81
Class 'C' Distribution	0.80
Class 'CI' Accumulation	0.76
Class 'CI' Distribution	0.77
Class 'LI' Accumulation	0.51
Class 'LI' Distribution	0.52

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The review period was poor for bonds due to central banks pushing up interest rates in a bid to cool runaway inflation. Returns on fixed-income assets were generally negative as investors demanded higher yields to reflect the increasing interest rates. (Bond prices and yields move in opposite directions.) Economic concerns also weighed on markets.

Fixed income suffered throughout much of the period, as the Federal Reserve (Fed) raised its benchmark rates eight times to a range of 4.75-5%. Borrowing costs were close to zero just weeks before the period began. Other central banks, including the European Central Bank and Bank of England, also rapidly raised interest rates as the war in Ukraine drove up commodity prices and stoked inflation.

Pressure on bonds lessened toward the end of the period as signs that inflation was starting to cool spurred speculation that the Fed would slow or halt its rate increases. The March collapse of Silicon Valley Bank in the US also eased interest-rate pressure by spurring US banks to tighten lending criteria. Government bonds rallied amid the banking turmoil because of a flight to safety.

Still, the March spike only pared 12-month losses for core government bonds. Investment-grade corporate debt similarly fell over the year due to the government debt sell-off and wider investor caution. The US dollar strengthened on higher interest rates.

High yield bonds, issued by less creditworthy companies, declined less than investment-grade bonds, reflecting the sector's lower sensitivity to interest rates. Prices of high yield bonds are generally driven more by the economic outlook and default risks.

The sub-fund fell over the review period, trailing its benchmark, partly because of cautious positioning. Overweight positioning and security selection in healthcare (particularly Bausch Health and Community Health Systems) detracted from the sub-fund's performance, along with security selection in banking.

However, bond picks in telecommunications and media were positive contributors, particularly Virgin Media and Sprint. In terms of ratings, BB graded bonds weighed on returns, while security selection in B and CCC & below (the lowest-rated bonds) was beneficial. The sub-fund was slightly underweight in terms of duration.

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.

Investment activities

New-bond sales were muted throughout much of the period amid global economic uncertainties and rising interest rates. Secondary-market liquidity was often challenging, particularly in Europe.

We took part in primary market (new bond) issuance by security company Verisure, cargo carrier Atlas Air and environmental services provider Clean Harbors. We also bought into new deals from packaging makers Sealed Air and Mauser Packaging, as well as travel companies Spirit Airlines and Royal Caribbean.

Towards the end of the reporting period, we sold euro bonds after outperformance and rebalanced the sub-fund towards the US. We also focused on defensive trades, such as increasing quality or adding exposure in non-cyclical sectors, such as healthcare and technology, media and telecommunications.

ESG engagements

As investors who embed ESG considerations into our investment processes, it is important for us to understand the various unique risks involved across all of the different industries we invest in. As such, as part of our ongoing assessment of our holdings' ESG credentials, we engaged with several companies held to gain granular insight into how these firms are adapting to various ESG criteria. This exercise enables us to compare and contrast different approaches to ESG and sustainability, to better identify ESG leaders, and also to ultimately encourage best practice in the companies in which we invest.

Investment review

Outlook

Elevated inflation levels and uncertainty about how far interest rates will climb continue to hang over markets and the global economy. Recent banking turmoil in the US adds more complications, as it could lead to further credit tightening and potentially hasten a recession, even after regulators' speedy actions helped to contain the crisis.

Still, we believe that fundamentals are generally supportive, and that technical elements, such as supply/demand imbalances and an attractive all-in yield, will help to contain spreads. We also think that the default cycle will be shallower than market expectations.

James Tomlins and Stefan Isaacs
Co-sub-fund managers

Investment review information as at 31 March 2023.

Employees of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Debt securities					**103,327**	**91.98**
Investment grade corporate bonds					**4,914**	**4.37**
European Investment Bank 0.375%	2,726,000	US$	26.03.2026		2,454	2.18
European Investment Bank 1.625%	2,584,000	US$	14.03.2025		2,460	2.19
Below investment grade corporate bonds					**98,437**	**87.63**
ABN AMRO Bank FRN	1,200,000	€	31.12.2099		1,037	0.92
AdaptHealth 5.125%	1,000,000	US$	01.03.2030		844	0.75
ADLER Group 1.875%	500,000	€	14.01.2026		218	0.19
American Airlines 7.25%	500,000	US$	15.02.2028		480	0.43
American Airlines Via AAdvantage Loyalty 5.5%	600,000	US$	20.04.2026		588	0.52
Avantor Funding 3.875%	1,000,000	€	15.07.2028		1,018	0.91
Avantor Funding 3.875%	200,000	US$	01.11.2029		179	0.16
Axalta Coating Systems Dutch Holding 'B' 3.75%	300,000	€	15.01.2025		323	0.29
B&M European Value Retail 3.625%	200,000	£	15.07.2025		233	0.21
B&M European Value Retail 4%	300,000	£	15.11.2028		314	0.28
Banco Bilbao Vizcaya Argentaria FRN	1,200,000	€	31.12.2099		1,223	1.09
Banco de Sabadell FRN	1,700,000	€	16.06.2028		1,501	1.34
Barclays FRN	1,200,000	US$	31.12.2099		1,076	0.96
Bath & Body Works 6.625%	600,000	US$	01.10.2030		580	0.52
Bath & Body Works 6.75%	600,000	US$	01.07.2036		529	0.47
Bausch Health 4.875%	600,000	US$	01.06.2028		349	0.31
Bausch Health 5%	100,000	US$	30.01.2028		39	0.03
Bausch Health 5%	500,000	US$	15.02.2029		192	0.17
Bausch Health 11%	76,000	US$	30.09.2028		55	0.05
Bausch Health 14%	15,000	US$	15.10.2030		9	0.01
BC Via New Red Finance 3.875%	800,000	US$	15.01.2028		736	0.65
BC Via New Red Finance 4%	100,000	US$	15.10.2030		85	0.08
Belden 3.375%	198,000	€	15.07.2027		198	0.18
Belden 3.375%	602,000	€	15.07.2031		553	0.49
Berry Global 4.875%	900,000	US$	15.07.2026		875	0.78
Bertelsmann FRN	600,000	€	23.04.2075		595	0.53
Burger King France FRN	400,000	€	01.11.2026		432	0.38
Casino Guichard Perrachon 5.25%	200,000	€	15.04.2027		64	0.06

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Debt securities (continued)						
Below investment grade corporate bonds (continued)						
Casino Guichard Perrachon 6.625%	375,000	€	15.01.2026		126	0.11
Castle UK Finco FRN	500,000	€	15.05.2028		455	0.40
Castle UK Finco 7%	200,000	£	15.05.2029		197	0.18
CCO Holdings Via CCO Holdings Capital 4.25%	500,000	US$	01.02.2031		408	0.36
CCO Holdings Via CCO Holdings Capital 5.125%	1,000,000	US$	01.05.2027		939	0.84
CCO Holdings Via CCO Holdings Capital 5.5%	200,000	US$	01.05.2026		194	0.17
Cellnex Finance 1%	400,000	€	15.09.2027		371	0.33
Cellnex Finance 3.875%	600,000	US$	07.07.2041		445	0.40
Cellnex Telecom 1.75%	300,000	€	23.10.2030		260	0.23
Cemex 5.45%	600,000	US$	19.11.2029		562	0.50
Charter Communications Operating Via Charter Communications Operating Capital 6.384%	1,000,000	US$	23.10.2035		990	0.88
CHS Via Community Health Systems 4.75%	1,200,000	US$	15.02.2031		880	0.78
CHS Via Community Health Systems 6.875%	300,000	US$	15.04.2029		183	0.16
Citycon FRN	600,000	€	31.12.2099		345	0.31
Clean Harbors 6.375%	505,000	US$	01.02.2031		513	0.46
Commerzbank FRN	1,600,000	€	31.03.2099		1,474	1.31
CommScope Finance 8.25%	600,000	US$	01.03.2027		480	0.43
CPI Property Group FRN	900,000	€	31.12.2099		438	0.39
CPUK Finance 6.5%	800,000	£	28.08.2026		941	0.84
Crowdstrike Holdings 3%	500,000	US$	15.02.2029		434	0.39
Crown Americas Via Crown Americas Capital 4.25%	800,000	US$	30.09.2026		760	0.68
Crown European Holdings 2.625%	200,000	€	30.09.2024		213	0.19
CSC Holdings 4.125%	400,000	US$	01.12.2030		283	0.25
CSC Holdings 4.5%	200,000	US$	15.11.2031		141	0.13
CSC Holdings 5.25%	200,000	US$	01.06.2024		192	0.17
CSC Holdings 5.5%	500,000	US$	15.04.2027		421	0.37
Cullinan Holdco 4.625%	750,000	€	15.10.2026		722	0.64
Dana Financing Luxembourg 3%	750,000	€	15.07.2029		635	0.57
Derichebourg 2.25%	400,000	€	15.07.2028		379	0.34
Deuce FinCo 5.5%	800,000	£	15.06.2027		829	0.74

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Debt securities (continued)						
Below investment grade corporate bonds (continued)						
Deutsche Bank FRN	400,000	€	17.02.2032		319	0.28
Deutsche Bank FRN	800,000	€	24.06.2032		754	0.67
Dometic Group 2%	600,000	€	29.09.2028		502	0.45
Domtar 6.75%	600,000	US$	01.10.2028		535	0.48
Eurobank FRN	765,000	€	26.01.2029		810	0.72
Eurofins Scientific FRN	300,000	€	31.12.2099		301	0.27
Ford Motor 6.1%	1,000,000	US$	19.08.2032		955	0.85
Ford Motor Credit 4%	1,500,000	US$	13.11.2030		1,264	1.12
Ford Motor Credit 4.867%	1,200,000	€	03.08.2027		1,265	1.13
Ford Motor Credit 4.95%	500,000	US$	28.05.2027		470	0.42
Frontier Communications Holdings 8.625%	600,000	US$	15.03.2031		588	0.52
Glatfelter 4.75%	800,000	US$	15.11.2029		529	0.47
Goodyear Europe 2.75%	600,000	€	15.08.2028		533	0.47
Greenko Solar Mauritius 5.55%	1,200,000	US$	29.01.2025		1,154	1.03
Grifols Escrow Issuer 2.25%	400,000	€	15.11.2027		370	0.33
Grifols Escrow Issuer 3.875%	800,000	€	15.10.2028		682	0.61
Grupo KUO 5.75%	1,000,000	US$	07.07.2027		907	0.81
Hanesbrands 4.875%	500,000	US$	15.05.2026		469	0.42
HCA 5.625%	900,000	US$	01.09.2028		907	0.81
Heathrow Finance 3.875%	700,000	£	01.03.2027		757	0.67
Hilton Worldwide Finance Via Hilton Worldwide Finance 4.875%	700,000	US$	01.04.2027		682	0.61
Huhtamäki 4.25%	300,000	€	09.06.2027		319	0.28
iHeartCommunications 4.75%	280,000	US$	15.01.2028		221	0.20
Iliad Holding 5.125%	800,000	€	15.10.2026		839	0.75
Infineon Technologies FRN	500,000	€	31.12.2099		494	0.44
Infrastrutture Wireless Italiane 1.875%	500,000	€	08.07.2026		512	0.46
Intesa Sanpaolo FRN	400,000	€	29.12.2049		417	0.37
Intesa Sanpaolo FRN	800,000	€	31.12.2099		850	0.76
Intrum 3%	200,000	€	15.09.2027		169	0.15
Intrum 3.5%	600,000	€	15.07.2026		544	0.48

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Debt securities (continued)						
Below investment grade corporate bonds (continued)						
Jazz Securities 4.375%	900,000	US$	15.01.2029		823	0.73
Kaisa Group Holdings 11.25%	200,000	US$	16.04.2025		26	0.02
KB Home 4%	400,000	US$	15.06.2031		344	0.31
KB Home 4.8%	400,000	US$	15.11.2029		366	0.33
KBC Group FRN	1,200,000	€	31.12.2099		1,094	0.97
LCPR Senior Secured Financing 6.75%	1,000,000	US$	15.10.2027		920	0.82
Lenovo Group 5.875%	600,000	US$	24.04.2025		604	0.54
Levi Strauss 3.375%	200,000	€	15.03.2027		203	0.18
Levi Strauss 3.5%	1,000,000	US$	01.03.2031		850	0.76
Liquid Telecom Finance 5.5%	500,000	US$	04.09.2026		341	0.30
Lloyds Banking Group FRN	800,000	€	31.12.2049		781	0.70
LPL Holdings 4%	655,000	US$	15.03.2029		586	0.52
Macy's Retail Holdings 5.875%	800,000	US$	01.04.2029		729	0.65
Macy's Retail Holdings 5.875%	26,000	US$	15.03.2030		23	0.02
Mav Acquisition 8%	700,000	US$	01.08.2029		562	0.50
McGraw-Hill Education 5.75%	100,000	US$	01.08.2028		87	0.08
Medline Borrower 3.875%	400,000	US$	01.04.2029		345	0.31
Meritage Homes 3.875%	500,000	US$	15.04.2029		443	0.39
Midas Opco Holdings 5.625%	900,000	US$	15.08.2029		791	0.70
Millicom International Cellular 4.5%	1,250,000	US$	27.04.2031		994	0.88
Mozart Debt Merger Sub 5.25%	400,000	US$	01.10.2029		341	0.30
NCR 5%	700,000	US$	01.10.2028		607	0.54
Netflix 3.625%	500,000	US$	15.06.2025		487	0.43
Netflix 3.625%	1,200,000	€	15.06.2030		1,249	1.11
Netflix 5.375%	200,000	US$	15.11.2029		203	0.18
Network i2i FRN	800,000	US$	31.12.2099		704	0.63
Nordstrom 4.25%	800,000	US$	01.08.2031		563	0.50
Novo Banco FRN	200,000	€	06.07.2028		208	0.18
Ocado Group 3.875%	1,000,000	£	08.10.2026		925	0.82
OI European Group 2.875%	700,000	€	15.02.2025		742	0.66
Owens & Minor 4.5%	700,000	US$	31.03.2029		549	0.49

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Debt securities (continued)						
Below investment grade corporate bonds (continued)						
Owens-Brockway Glass Container 6.625%	200,000	US$	13.05.2027		198	0.18
Picard Bondco SA 5.375%	600,000	€	01.07.2027		554	0.49
PRA Health Sciences 2.875%	400,000	US$	15.07.2026		364	0.32
Premier Foods Finance 3.5%	800,000	£	15.10.2026		901	0.80
Prestige Brands 3.75%	800,000	US$	01.04.2031		682	0.61
Rand Parent 8.5%	900,000	US$	15.02.2030		843	0.75
Rede D'Ór Finance 4.95%	500,000	US$	17.01.2028		450	0.40
Rexel 2.125%	1,000,000	€	15.12.2028		948	0.84
Royal Caribbean Cruises 5.375%	700,000	US$	15.07.2027		622	0.55
Royal Caribbean Cruises 7.25%	84,000	US$	15.01.2030		85	0.08
Royal Caribbean Cruises 9.25%	600,000	US$	15.01.2029		636	0.57
Sappi Papier Holding 3.625%	1,200,000	€	15.03.2028		1,139	1.01
Schaeffler 2.75%	800,000	€	12.10.2025		845	0.75
Seagate HDD Cayman 4.875%	600,000	US$	01.03.2024		591	0.53
Sealed Air Corp 6.125%	500,000	US$	01.02.2028		503	0.45
Selecta Group 8%	543,697	€	01.04.2026		522	0.46
Selecta Group 10%	136,021	€	01.07.2026		97	0.09
Sherwood Financing 6%	400,000	£	15.11.2026		412	0.37
Sirius XM Radio 4.125%	800,000	US$	01.07.2030		646	0.57
Sirius XM Radio 5%	600,000	US$	01.08.2027		554	0.49
SoftBank Group 3.875%	600,000	€	06.07.2032		476	0.42
Spirit Loyalty Cayman Via Spirit IP Cayman 8%	1,000,000	US$	20.09.2025		994	0.88
Sprint 7.125%	500,000	US$	15.06.2024		509	0.45
Sprint 7.875%	1,300,000	US$	15.09.2023		1,313	1.17
Stora Enso 7.25%	600,000	US$	15.04.2036		645	0.57
TEGNA 4.625%	1,100,000	US$	15.03.2028		962	0.86
TEGNA 5%	200,000	US$	15.09.2029		172	0.15
Telecom Italia 3.625%	500,000	€	25.05.2026		522	0.46
Telecom Italia 4%	200,000	€	11.04.2024		216	0.19
Telecom Italia 5.303%	600,000	US$	30.05.2024		581	0.52
Tenet Healthcare 5.125%	600,000	US$	01.11.2027		576	0.51

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value US$'000	Market value US$'000	% of net assets
Debt securities (continued)						
Below investment grade corporate bonds (continued)						
Tenet Healthcare 6.125%	1,450,000	US$	01.10.2028		1,377	1.23
TI Automotive Finance 3.75%	800,000	€	15.04.2029		666	0.59
Triton Water Holdings 6.25%	800,000	US$	01.04.2029		624	0.56
Trivium Packaging Finance 3.75%	500,000	€	15.08.2026		503	0.45
Uber Technologies 7.5%	600,000	US$	15.05.2025		608	0.54
UniCredit FRN	1,200,000	€	31.12.2099		1,231	1.10
United Airlines 4.375%	600,000	US$	15.04.2026		567	0.50
Verisure Midholding 5.25%	1,150,000	€	15.02.2029		1,041	0.93
Vertiv Group Corp 4.125%	600,000	US$	15.11.2028		528	0.47
Virgin Media Secured Finance 4.125%	600,000	£	15.08.2030		605	0.54
Virgin Media Vendor Financing Notes III 4.875%	800,000	£	15.07.2028		845	0.75
Vodafone Group FRN	600,000	US$	04.04.2079		588	0.52
Vodafone Group FRN	700,000	€	27.08.2080		685	0.61
Vodafone Group FRN	200,000	US$	04.06.2081		157	0.14
Voyage Care Bondco 5.875%	500,000	£	15.02.2027		516	0.46
VTR Comunicaciones 4.375%	600,000	US$	15.04.2029		377	0.34
WMG Acquisition 2.25%	1,000,000	€	15.08.2031		864	0.77
WP/AP Telecom Holdings III 5.5%	900,000	€	15.01.2030		816	0.73
Yum! Brands 4.625%	400,000	US$	31.01.2032		366	0.33
Yum! Brands 5.375%	700,000	US$	01.04.2032		670	0.60
Yuzhou Group Holdings 6.35%	200,000	US$	13.01.2027		20	0.02
Yuzhou Group Holdings 7.85%	590,000	US$	12.08.2026		58	0.05
Yuzhou Group Holdings 8.3%	250,000	US$	27.05.2025		24	0.02
Corporate bonds with no credit rating						
JC Penney 6.375%[a]	95,000	US$	15.10.2036		**0**	**0.00**
Debt derivatives					**(24)**	**(0.02)**
Interest rate futures					**(24)**	**(0.02)**
Deutscher Bobl 5 year Futures	(42)	€	08.06.2023	46	(111)	(0.10)
US Treasury Notes 10 year Futures	15	US$	21.06.2023	15	44	0.04
UK Treasury Notes Futures	(8)	£	28.06.2023	10	(23)	(0.02)
US Treasury Notes 5 year Futures	33	US$	30.06.2023	33	66	0.06

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Portfolio summary		
Investment assets		
Debt securities	103,351	92.00
Unrealised gains on futures contracts	110	0.10
Unrealised gains on forward currency contracts	746	0.66
Total Investment assets	**104,207**	**92.76**
Investment liabilities		
Unrealised losses on futures contracts	(134)	(0.12)
Unrealised losses on forward currency contracts	(1,070)	(0.96)
Total Investment liabilities	**(1,204)**	**(1.08)**
Total portfolio	**103,003**	**91.68**
Net other assets/(liabilities)	**9,335**	**8.32**
Net assets	**112,338**	**100.00**

[a] Fair valued.

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures		
	Forward currency contracts US$'000	Futures US$'000	Collateral held as cash US$'000
Bank of America Merrill Lynch	0	104	0
BNP Paribas	204	0	0
HSBC Bank Plc	92	0	0
JP Morgan London	24,381	0	0
State Street Bank and Trust Company	86,839	0	440
State Street Bank and Trust Company, London Branch	112,833	0	0
UBS AG London	4,379	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A-H' Accumulation	-8.1	+0.8	-1.5	-1.6	05.10.17
Class 'A-H' Distribution	-8.2	+0.7	-1.5	-1.6	05.10.17
Class 'C-H' Accumulation	-7.6	+1.4	-0.9	-1.0	05.10.17
Class 'C-H' Distribution	-7.5	+1.4	-0.9	-1.0	05.10.17
Class 'CI-H' Accumulation	-7.4	+1.4	-0.9	-1.0	05.10.17
Class 'L-H' Accumulation	-7.4	+1.6	-0.7	-0.8	05.10.17
Norwegian krone					
Class 'A-H' Accumulation	-7.1	+1.5	n/a	-1.9	08.04.19
Class 'CI-H' Accumulation	-6.5	+2.2	n/a	-1.2	08.04.19
Sterling					
Class 'C-H' Accumulation	-6.1	+2.3	0.0	-0.1	05.10.17
Class 'C-H' Distribution	-6.2	+2.3	-0.2	-0.3	05.10.17
Class 'L-H' Accumulation	-6.0	+2.5	+0.2	+0.1	05.10.17
Class 'L-H' Distribution	-6.0	+2.5	n/a	-0.3	23.08.18
Swedish krona					
Class 'A-H' Accumulation	-7.7	+1.1	n/a	-2.1	08.04.19
Class 'CI-H' Accumulation	-7.1	+1.7	n/a	-1.4	08.04.19
Class 'N-H' Accumulation	-7.5	n/a	n/a	-6.2	18.02.21
Swiss franc					
Class 'A-H' Accumulation	-8.8	+0.4	-1.8	-2.0	05.10.17
Class 'A-H' Distribution	-8.9	+0.4	-1.9	-2.0	05.10.17
Class 'C-H' Accumulation	-8.2	+1.0	-1.2	-1.4	05.10.17
Class 'C-H' Distribution	-8.3	+1.0	-1.3	-1.4	05.10.17

M&G (Lux) Sustainable Global High Yield Bond Fund

Financial highlights

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
US dollar					
Class 'A' Accumulation	-5.3	+2.5	+0.7	+0.6	05.10.17
Class 'A' Distribution	-5.3	+2.5	+0.7	+0.6	05.10.17
Class 'A M' Distribution	-5.3	+2.5	+0.7	+0.6	05.10.17
Class 'C' Accumulation	-4.7	+3.1	+1.3	+1.2	05.10.17
Class 'C' Distribution	-4.7	+3.1	+1.3	+1.2	05.10.17
Class 'CI' Accumulation	-4.7	+3.2	+1.4	+1.3	05.10.17
Class 'L' Accumulation	-4.5	+3.3	+1.6	+1.5	05.10.17

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A-H' Accumulation	128,834.088	9.1450	9.9514	10.5134
Class 'A-H' Distribution	30,809.383	7.1907	8.1977	9.0620
Class 'C-H' Accumulation	1,559,928.459	9.4502	10.2231	10.7352
Class 'C-H' Distribution	69,181.012	7.4413	8.4204	9.2492
Class 'CI-H' Accumulation	10,064.000	9.4740	10.2361	10.7446
Class 'L-H' Accumulation	1,486,290.445	9.5737	10.3380	10.8355
Norwegian krone		**NOK**	**NOK**	**NOK**
Class 'A-H' Accumulation	2,695.200	92.6947	99.8206	104.5593
Class 'CI-H' Accumulation	5,165.800	95.2452	101.9195	105.9343
Sterling		**£**	**£**	**£**
Class 'C-H' Accumulation	2,445.000	9.9248	10.5739	11.0251
Class 'C-H' Distribution	4,940.000	7.7481	8.6534	9.4350
Class 'L-H' Accumulation	83,446.438	10.0544	10.6912	11.1212
Class 'L-H' Distribution	244,852.386	8.0008	8.9165	9.6952
Swedish krona		**SEK**	**SEK**	**SEK**
Class 'A-H' Accumulation	2,918.400	92.0134	99.6695	104.9992
Class 'CI-H' Accumulation	5,593.600	94.3877	101.6195	106.3619
Class 'N-H' Accumulation	335,756.599	8.7336	9.4396	n/a
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	5,225.000	8.9585	9.8196	10.4069
Class 'A-H' Distribution	2,420.000	7.0356	8.0859	8.9485
Class 'C-H' Accumulation	2,435.000	9.2689	10.1000	10.6314
Class 'C-H' Distribution	2,430.000	7.2907	8.3209	9.1563

M&G (Lux) Sustainable Global High Yield Bond Fund

Financial highlights

	Shares outstanding as at 31.03.23	31.03.23	NAV per share 31.03.22	31.03.21
US dollar		**US$**	**US$**	**US$**
Class 'A' Accumulation	154,268.189	10.3412	10.9203	11.4311
Class 'A' Distribution	22,226.246	8.1362	8.9995	9.8498
Class 'A M' Distribution	1,000.000	8.0701	8.9342	9.7728
Class 'C' Accumulation	480,523.607	10.6833	11.2144	11.6688
Class 'C' Distribution	199,617.544	8.4109	9.2474	10.0602
Class 'CI' Accumulation	4,898,947.476	10.7091	11.2369	11.6874
Class 'L' Accumulation	1,248,111.939	10.8296	11.3450	11.7776

NAV at sub-fund level	31.03.23 US$'000	31.03.22 US$'000	31.03.21 US$'000
Net assets	112,338	119,493	83,662
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**112,338**	**119,493**	**83,662**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A-H' Accumulation	1.22
Class 'A-H' Distribution	1.22
Class 'C-H' Accumulation	0.62
Class 'C-H' Distribution	0.63
Class 'CI-H' Accumulation	0.58
Class 'L-H' Accumulation	0.42
Norwegian krone	**%**
Class 'A-H' Accumulation	1.21
Class 'CI-H' Accumulation	0.58
Sterling	**%**
Class 'C-H' Accumulation	0.61
Class 'C-H' Distribution	0.63
Class 'L-H' Accumulation	0.42
Class 'L-H' Distribution	0.42
Swedish krona	**%**
Class 'A-H' Accumulation	1.21
Class 'CI-H' Accumulation	0.58
Class 'N-H' Accumulation	0.99

Financial highlights

Total Expense Ratio 31.03.23	TER[a]
Swiss franc	**%**
Class 'A-H' Accumulation	1.22
Class 'A-H' Distribution	1.22
Class 'C-H' Accumulation	0.62
Class 'C-H' Distribution	0.62
US dollar	**%**
Class 'A' Accumulation	1.20
Class 'A' Distribution	1.20
Class 'A M' Distribution	1.19
Class 'C' Accumulation	0.60
Class 'C' Distribution	0.60
Class 'CI' Accumulation	0.56
Class 'L' Accumulation	0.40

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The launch of the sub-fund was over-shadowed on 24th February by the Russian invasion of Ukraine. This caused the largest humanitarian crisis since the second world war, and the economic impact of the crisis is still profound. Markets had already been displaying signs of stress since the start of the year, with sharply higher inflation driven by pent up demand in the developed economies following the extended COVID-19 lockdowns. The invasion prompted significant commodity and energy price rises, as well as supply chain disruption due to sanctions, all of which fueled the existing supply side inflationary pressures during the first quarter of 2022.

Following the very weak Q1, risk assets suffered further significant losses during the second quarter as the market digested the spiraling levels of inflation in developed markets, and the tighter policy environment. As the quarter progressed concerns began to be focused on recession being the likely endgame, which proved a further drag on market performance. The first half of the year saw virtually all asset classes (credit, sovereign bonds, equities) suffer very significant negative returns, and the S&P 500 having its worst first half in over 60 years.

With CPI inflation at a 40 year high in the US, the Federal Reserve increased rates twice, reaching 1.75%, but this failed to rein in expectations of further increases to follow later in the year. In contrast, the ECB remained wholly reactive as the inflation crisis evolved. Sovereign spreads between the core and periphery widened sharply, and the risk of a Euro sovereign debt crisis caused by market 'fragmentation' caused further market weakness. Expectations of a difficult energy environment through the Winter for European economies overly dependent on Russian Gas caused credit market spreads to widen further, with Euro investment grade spreads above +200 basis points (2%) and Euro high yield spreads above +650 basis points.

The third quarter of 2022 saw further volatility, and substantial asset price falls across both government and credit markets. As the quarter progressed, rising inflation concerns saw central banks signal slowing growth would not deter them from raising interest rates. These heightened fears of muted growth and possible recession in 2023, and coupled with rising energy prices in Europe and UK saw significant market turmoil in late September, with government bond yields moving sharply higher. In the US and Germany, 10-year yields rose over 0.8% during the quarter, while UK yields rose 1.8%.

Notably, in the UK, problems were further compounded by the mini-budget in September that was badly received. Within 3 days gilt yields rose by more than 1%, and this rise was exacerbated by pension sub-funds' forced liquidations of gilts to meet collateral requirements for their derivative liability hedging strategies. The Bank of England was forced to intervene as a 'circuit breaker' – putting a floor under long dated gilts through targeted purchases, stabilizing the market, and buying time for affected parties to make proper assessments of financing needs.

In Europe, the ECB remained wholly reactive as the inflation has continued to accelerate above 10% in some EU countries. Gas prices rose over 30% in Q3, and fiscal measures such as Germany's €200bn package increased both deficits and borrowing by EU governments, which in turn set a conflict between tighter monetary policies and looser fiscal policies. Credit market spreads continued to widen, with investment grade spreads above +220 basis points and high yield spreads now above +600 basis points.

Despite tentative signs that inflation might be slowing during December, policymakers in the US stated that interest rates would continue to rise in 2023 as inflation remains well above the Fed's target. Investors continue to believe official rates will peak somewhere between 4.75% and 5%, based on their expectations of a shallow recession in the latter half of 2023, despite rising layoffs and falling house price data indicating the depth and timing of a slowdown remains very much in the balance. However, the belief that the interest rate and

Investment review

inflation peak was imminent bolstered risk assets for much of the quarter, but was less prevalent during December as a consequence of the increasingly weak economic data. Developed market Investment Grade Credit spreads were therefore broadly flat during December, but still 30 basis points tighter for the quarter as a whole, while US High Yield spreads weakened slightly during December.

2023 started strongly with gains across developed market government bonds in January, which offered some respite to credit markets following a volatile 2022. However, the rally was short lived as markets weakened in February in response to renewed inflation concerns. This was followed by significant volatility in March, driven by the collapse of Silicon Valley Bank in the US and the acquisition of Credit Suisse by UBS, which are possibly the first signs of central banks' aggressive monetary policy starting to pass through into the economy. During this period the MOVE index of Treasury volatility reached levels last seen at the height of the 2008 financial crisis. Government bonds rallied strongly as the market priced in recession fears. By the end of the March, the immediate volatility had subsided, but developed market government yields remain below the highs touched at the start of the month.

By the end of the period, government bond yields were significantly higher than the start of the sub-fund reporting period, in response to both higher inflation and the aggressive tightening cycles of the major central banks. US 10 year Treasuries ended the period 1.5% higher at 3.5%, 10 year German Bunds were 2.1% higher at 2.3% and UK Gilts 2.1% higher at 3.5%. Corporate bond spreads remained elevated relative to their starting points in all developed markets.

Portfolio activity during the review period

During the first 3 months from the sub-fund launch and against the background of sharply rising energy prices, inflation, and the tighter interest rate environment, the manager built risk slowly, taking advantage of the weaker market environment. The sub-fund was able to build positions at attractive entry levels, initially through Index CDS contracts, but as the size of the sub-fund grew, was able to diversify during the third quarter of 2023 through adding stock specific opportunities where we believed the credits to be cheap. Against this we were reducing the derivative exposure on a like for like basis, and all credit positions were in physical securities by end September. Credit spread duration has been close to 4 years during the second half of the period, with the manager reducing credit risk early in the first quarter of 2023 as a number of securities rallied to fair value levels. The sub-fund has held a low level of exposure to interest rate risk through much of the reporting period, but as we have approached the anticipated peak of the Central Bank's official rate rises, we have built overweight interest rate risk positions in short and intermediate bonds and futures in principally the US and Europe.

The additional turmoil caused by the demise of Credit Suisse during March 2023 provided a number of further opportunities to add names into the sub-fund. Overall, at the end of the reporting period, the sub-fund was highly diversified, having positions in 423 issues, from 333 different issuers. The sub-fund is an SFDR Article 8 sub-fund, and has a strong focus on ESG and sustainability. The sub-fund investible universe eliminates any issuers with UNGC violations in the areas of Human Rights, Labour, Environment or Corruption, and has a series of Business Involvement Revenue Screens to further remove businesses with exposures above proscribed levels to contentious business activities. It also has a positive tilt, eliminating those businesses from consideration that screened successfully, but that are deemed laggards by MSCI's ESG rating scales (rated B or CCC). The sub-fund has observed these guidelines throughout the year, and has an MSCI ESG rating of 'A'.

Outlook

The sub-fund is well positioned to capture opportunities that may arise from bond market volatility in both the interest rate and credit markets. The flexible opportunity set and global reach of the analyst team ensures that we have clear insight and visibility of risks, and highly diversified nature of the sub-fund minimises the impact of any unforeseen credit events. Looking

Investment review

forward, increased volatility in markets will likely remain, with inflation and recession risk dominating the scene. An active approach will be essential. From one side, inflation is heading in the right direction, reflecting the sharp fall in money supply, and should be positive for Fixed Income markets. However, the risk of a recession remains elevated as central banks continue to tighten financial conditions, albeit at a slower pace. It is at these points of inflection that policy errors often occur: the sub-fund stands ready to take advantage of attractively priced credit opportunities and to benefit from short term volatility in the interest rate markets.

Jim Leaviss and Richard Ryan
Co-sub-fund managers

Investment review information as at 31 March 2023.

Employees of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income					**114,762**	**87.83**
Debt securities					**116,128**	**88.88**
'AAA' credit rated bonds					**16,980**	**13.00**
ABN AMRO Bank 2.375%	500,000	€	23.01.2024		496	0.38
Aegon Bank 0.25%	500,000	€	25.05.2023		498	0.38
ALME Loan Funding III Designated Activity FRN	95,290	€	15.04.2032		93	0.07
ANZ 0.125%	520,000	€	22.09.2023		513	0.39
ASB Finance 0.625%	525,000	€	18.10.2024		502	0.38
Asian Development Bank FRN	410,000	£	19.03.2024		467	0.36
Australia (Commonwealth of) 2.75%	622,000	AU$	21.11.2028		377	0.29
Avoca CLO XVII FRN	175,000	€	15.10.2032		170	0.13
Bank of Nova Scotia FRN	400,000	£	14.03.2025		460	0.35
Bayerische Landesbank 1%	400,000	£	20.12.2024		427	0.33
Bundesobligation 0%	555,000	€	09.10.2026		509	0.39
Bundesschatzanweisungen 0%	1,245,525	€	15.12.2023		1,222	0.93
Cairn CLO XIV FRN	360,000	€	29.10.2034		348	0.27
Canadian Imperial Bank of Commerce FRN	440,000	£	15.12.2025		506	0.39
CIFC European Funding CLO V FRN	275,000	€	23.11.2034		265	0.20
Commonwealth Bank of Australia 0.375%	520,000	€	24.04.2023		519	0.40
Credit Agricole Home Loan 0.25%	500,000	€	23.02.2024		486	0.37
DNB Boligkreditt 0.375%	520,000	€	14.11.2023		511	0.39
Dowson 2022-1 FRN	61,895	£	20.01.2029		71	0.05
DZ HYP 0.01%	500,000	€	29.01.2024		487	0.37
European Bank for Reconstruction & Development FRN	355,000	£	20.11.2025		412	0.32
European Investment Bank FRN	410,000	£	29.06.2023		467	0.36
Germany (Federal Republic of) 0%	1,086,000	€	15.02.2032		888	0.68
National Australia Bank FRN	445,000	£	04.02.2025		507	0.39
Nationale-Nederlanden Bank 0.5%	500,000	€	10.10.2024		478	0.37
Nationwide Building Society FRN	400,000	£	10.01.2024		457	0.35
Netherlands (Kingdom of) 0.5%	315,000	€	15.07.2032		260	0.20
Netherlands (Kingdom of) 2.5%	300,000	€	15.07.2033		295	0.23
Palmer Square European Loan Funding FRN	316,415	€	15.10.2031		309	0.24
Royal Bank of Canada FRN	445,000	£	03.10.2024		507	0.39

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'AAA' credit rated bonds (continued)						
RRE 5 Loan Management FRN	325,000	€	15.01.2037		313	0.24
Société Générale 0.25%	500,000	€	11.09.2023		494	0.38
Sumitomo Mitsui Banking 0.01%	545,000	€	10.09.2025		498	0.38
Toronto-Dominion Bank 0%	500,000	€	09.02.2024		486	0.37
Tower Bridge Funding FRN	190,988	£	20.12.2063		216	0.16
UniCredit Bank Austria 2.375%	500,000	€	22.01.2024		495	0.38
Westpac Banking 0.5%	500,000	€	04.12.2023		490	0.37
Yorkshire Building Society 0.125%	500,000	€	08.05.2024		481	0.37
'AA' credit rated bonds					**11,185**	**8.56**
Austria (Republic of) 0.9%	272,000	€	20.02.2032		229	0.18
Belgium (Kingdom of) 0.35%	550,000	€	22.06.2032		436	0.33
Canada (Federal Republic of) 0.75%	950,000	CA$	01.02.2024		626	0.48
Credito Emiliano 1.125%	515,000	€	17.01.2024		505	0.39
Deutsche Pfandbriefbank FRN	400,000	£	29.09.2023		457	0.35
France (Republic of) 0%	2,250,615	€	25.02.2024		2,192	1.68
France (Republic of) 0%	278,000	€	25.02.2027		251	0.19
New Zealand (Kingdom of) 0.5%	971,000	NZD	15.05.2026		497	0.38
SNCF Reseau 2.625%	400,000	€	29.12.2025		395	0.30
US Treasury Bond 3.375%	346,200	US$	15.08.2042		296	0.23
US Treasury Bond I/L 2.375%	1,069,000	US$	15.01.2027		1,507	1.15
US Treasury Note 1.5%	1,000,000	US$	29.02.2024		894	0.68
US Treasury Note 2.625%	1,505,200	US$	31.12.2023		1,364	1.04
US Treasury Note I/I 0.625%	1,360,000	US$	15.01.2026		1,536	1.18
'A' credit rated bonds					**6,967**	**5.33**
Ageas FRN	300,000	€	02.07.2049		253	0.19
AIA Group FRN	130,000	€	09.09.2033		101	0.08
Allianz FRN	300,000	€	25.09.2049		237	0.18
AXA FRN	345,000	€	10.07.2042		256	0.20
AXA FRN	145,000	€	10.03.2043		132	0.10
Bank of America FRN	305,000	€	24.05.2032		239	0.18

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Booking Holdings 4.75%	100,000	€	15.11.2034		106	0.08
Clarion Funding 2.625%	305,000	£	18.01.2029		306	0.23
DSV Finance 0.875%	185,000	€	17.09.2036		125	0.10
East Japan Railway 4.11%	170,000	€	22.02.2043		170	0.13
Great-West Lifeco 4.7%	100,000	€	16.11.2029		102	0.08
Hannover Rueck FRN	100,000	€	08.10.2040		77	0.06
Hannover Rueck FRN	200,000	€	30.06.2042		142	0.11
Hannover Rueck FRN	100,000	€	26.08.2043		102	0.08
Helvetia Europe FRN	260,000	€	30.09.2041		204	0.16
HSBC Holdings FRN	200,000	US$	11.08.2033		180	0.14
Intel 3.05%	490,000	US$	12.08.2051		306	0.23
JPMorgan Chase FRN	250,000	€	23.03.2030		220	0.17
JPMorgan Chase FRN	85,000	US$	14.06.2030		76	0.06
Medtronic Global Holdings 1.75%	400,000	€	02.07.2049		252	0.19
Morgan Stanley FRN	350,000	€	25.01.2034		367	0.28
Münchener Rückversicherungs-Gesellschaft FRN	300,000	€	26.05.2042		211	0.16
NBN 4.375%	137,000	€	15.03.2033		141	0.11
Notting Hill Genesis 2.875%	305,000	£	31.01.2029		309	0.24
Optivo Finance 2.857%	205,000	£	07.10.2035		184	0.14
PayPal Holdings 5.05%	315,000	US$	01.06.2052		277	0.21
Peabody Capital No. 2 2.75%	205,000	£	02.03.2034		189	0.14
Prologis International Funding II 4.625%	215,000	€	21.02.2035		200	0.15
Schneider Electric 3.5%	100,000	€	09.11.2032		101	0.08
TenneT Holding 4.75%	145,000	€	28.10.2042		157	0.12
THFC Funding No. 1 5.125%	210,000	£	21.12.2037		241	0.18
Toronto-Dominion Bank 0.5%	400,000	€	18.01.2027		350	0.27
UBS Group FRN	300,000	€	17.03.2032		300	0.23
Vienna Insurance Group FRN	200,000	€	15.06.2042		186	0.14
Zurich Finance FRN	240,000	US$	19.04.2051		168	0.13

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds					**42,842**	**32.79**
AA Bond 5.5%	135,000	£	31.07.2050		140	0.11
AA Bond 7.375%	100,000	£	31.07.2050		109	0.08
AA Bond 8.45%	100,000	£	31.07.2050		115	0.09
ABN AMRO Bank FRN	300,000	€	22.02.2033		298	0.23
ABN AMRO Bank 4.5%	100,000	€	21.11.2034		100	0.08
ACEF Holding 0.75%	370,000	€	14.06.2028		277	0.21
Aeroporti di Roma 1.75%	100,000	€	30.07.2031		80	0.06
Aéroports de Paris 1.5%	400,000	€	02.07.2032		325	0.25
Albemarle 5.05%	205,000	US$	01.06.2032		183	0.14
Allianz FRN	200,000	€	31.12.2099		139	0.11
Amgen 4.663%	260,000	US$	15.06.2051		215	0.16
Amprion 3.971%	300,000	€	22.09.2032		304	0.23
APTIV 3.1%	465,000	US$	01.12.2051		269	0.21
Arcadis 4.875%	126,000	€	28.02.2028		127	0.10
Argenta Spaarbank FRN	100,000	€	29.11.2027		98	0.08
Argenta Spaarbank FRN	300,000	€	08.02.2029		243	0.19
Arion Banki 0.375%	600,000	€	14.07.2025		526	0.40
Aroundtown FRN	340,000	£	31.12.2099		141	0.11
Arthur J Gallagher & Co 5.5%	100,000	US$	02.03.2033		93	0.07
Ashtead Capital 4.25%	325,000	US$	01.11.2029		274	0.21
ASR Nederland FRN	200,000	€	07.12.2043		207	0.16
ASR Nederland FRN	115,000	€	02.05.2049		98	0.08
ASTM 1.5%	195,000	€	25.01.2030		157	0.12
Autostrade per l'Italia 4.375%	230,000	€	16.09.2025		231	0.18
Autostrade per l'Italia 4.75%	100,000	€	24.01.2031		99	0.08
Bankinter FRN	200,000	€	23.12.2032		163	0.12
Banque Fédérative du Crédit Mutuel FRN	300,000	€	16.06.2032		287	0.22
Barclays FRN	240,000	£	31.01.2031		275	0.21
Bayerische Landesbank FRN	100,000	€	23.09.2031		83	0.06
Bayerische Landesbank FRN	400,000	€	22.11.2032		318	0.24

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Bazalgette Finance 2.75%	125,000	£	10.03.2034		114	0.09
Belfius Bank FRN	500,000	€	06.04.2034		391	0.30
BorgWarner 1%	390,000	€	19.05.2031		307	0.23
BPCE FRN	250,000	US$	19.07.2033		226	0.17
BPCE FRN	400,000	€	13.10.2046		286	0.22
Brambles Finance 4.25%	100,000	€	22.03.2031		100	0.08
Bunge Finance 2.75%	180,000	US$	14.05.2031		138	0.11
Bureau Veritas 1.875%	300,000	€	06.01.2025		290	0.22
CaixaBank FRN	200,000	€	14.11.2030		206	0.16
Capital One Financial 1.65%	115,000	€	12.06.2029		89	0.07
Carmila 1.625%	200,000	€	01.04.2029		163	0.12
Celanese US Holdings 0.625%	375,000	€	10.09.2028		290	0.22
Celanese US Holdings 6.379%	150,000	US$	15.07.2032		139	0.11
Citigroup FRN	265,000	US$	24.05.2033		238	0.18
CNH Industrial Finance Europe 1.75%	345,000	€	25.03.2027		321	0.25
Coca-Cola Europacific Partners 1.125%	365,000	€	12.04.2029		312	0.24
Covestro 4.75%	100,000	€	15.11.2028		101	0.08
CPI Property Group 1.625%	100,000	€	23.04.2027		72	0.06
CPUK Finance 3.588%	120,000	£	28.02.2042		129	0.10
Crédit Agricole FRN	200,000	US$	29.12.2049		180	0.14
Crédit Agricole FRN	300,000	€	31.12.2099		290	0.22
Crédit Mutuel Arkéa 3.375%	300,000	€	11.03.2031		269	0.21
Credit Suisse Group FRN	420,000	€	02.04.2032		347	0.27
Credit Suisse Group FRN	100,000	£	07.09.2033		119	0.09
Credit Suisse Group FRN	250,000	US$	15.11.2033		272	0.21
CVS Health 5.05%	295,000	US$	25.03.2048		250	0.19
Daimler Trucks Finance North America 2.5%	305,000	US$	14.12.2031		230	0.18
Danone FRN	200,000	€	31.12.2099		172	0.13
Danske Bank FRN	410,000	€	15.05.2031		361	0.28
de Volksbank 4.875%	200,000	€	07.03.2030		203	0.16

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Dell International Via EMC 8.1%	255,000	US$	15.07.2036		271	0.21
DXC Technology 1.75%	295,000	€	15.01.2026		273	0.21
E.ON 1.625%	245,000	€	29.03.2031		211	0.16
Électricité de France 4.625%	100,000	€	25.01.2043		94	0.07
Électricité de France 4.75%	300,000	€	12.10.2034		302	0.23
Elia Transmission Belgium 0.875%	300,000	€	28.04.2030		251	0.19
Enel FRN	345,000	€	31.12.2099		248	0.19
Enel Finance International 7.75%	250,000	US$	14.10.2052		267	0.20
Engie FRN	400,000	€	31.12.2099		297	0.23
Erste Group Bank FRN	200,000	€	07.06.2033		182	0.14
Eurogrid 1.113%	200,000	€	15.05.2032		162	0.12
FFP 1.875%	400,000	€	30.10.2026		354	0.27
Firstgroup 6.875%	230,000	£	18.09.2024		263	0.20
Fraport Frankfurt Airport Services Worldwide 1.875%	435,000	€	31.03.2028		385	0.29
Fresenius 2.875%	310,000	€	24.05.2030		280	0.21
GELF Bond Issuer I 1.125%	255,000	€	18.07.2029		198	0.15
General Motors 5.6%	169,000	US$	15.10.2032		150	0.11
General Motors 6.6%	105,000	US$	01.04.2036		99	0.08
Goldman Sachs Group FRN	290,000	US$	24.02.2028		243	0.19
Goldman Sachs Group 0.75%	100,000	€	23.03.2032		73	0.06
Grainger 3%	320,000	£	03.07.2030		288	0.22
Grand City Properties FRN	100,000	€	31.12.2099		43	0.03
Hammerson 7.25%	105,000	£	21.04.2028		111	0.08
Hammerson Ireland Finance 1.75%	385,000	€	03.06.2027		309	0.24
Harley-Davidson Financial Services 6.5%	320,000	US$	10.03.2028		298	0.23
HCA 4.625%	380,000	US$	15.03.2052		288	0.22
Heathrow Funding 1.125%	200,000	€	08.10.2032		161	0.12
Hiscox FRN	150,000	£	24.11.2045		166	0.13
Hiscox 6%	100,000	£	22.09.2027		115	0.09
HJ Heinz Finance UK 6.25%	175,000	£	18.02.2030		206	0.16

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Holcim Finance Luxembourg 0.5%	140,000	€	23.04.2031		104	0.08
HP 4.2%	325,000	US$	15.04.2032		268	0.21
HP 5.5%	295,000	US$	15.01.2033		267	0.20
HSBC Holdings FRN	200,000	US$	29.12.2049		172	0.13
HSBC Holdings FRN	240,000	£	31.12.2099		237	0.18
Iberdrola Finanzas FRN	100,000	€	31.12.2099		83	0.06
Iberdrola International FRN	200,000	€	31.12.2099		154	0.12
Iberdrola International FRN	100,000	€	31.12.2099		82	0.06
Indonesia (Republic of) 7.5%	2,640,000,000	IDR	15.06.2035		169	0.13
ING Groep FRN	300,000	€	26.05.2031		274	0.21
ING Groep FRN	100,000	€	24.08.2033		95	0.07
InterContinental Hotels Group 3.375%	175,000	£	08.10.2028		179	0.14
Intesa Sanpaolo FRN	200,000	US$	21.11.2033		192	0.15
Italy Buoni Poliennali Del Tesoro 5.75%	675,000	€	01.02.2033		764	0.58
Julius Baer Group FRN	200,000	€	31.12.2099		177	0.14
Jyske Bank 5.5%	250,000	€	16.11.2027		256	0.20
KBC Group FRN	400,000	€	07.12.2031		343	0.26
Koninklijke Ahold Delhaize 0.375%	230,000	€	18.03.2030		185	0.14
Landesbank Baden-Württemberg 2.2%	300,000	€	09.05.2029		240	0.18
Landesbank Hessen-Thüringen Girozentrale FRN	400,000	€	15.09.2032		377	0.29
Landsbankinn 0.75%	465,000	€	25.05.2026		392	0.30
LEG Immobilien 0.75%	100,000	€	30.06.2031		71	0.05
Legal & General Group FRN	135,000	£	01.11.2050		134	0.10
Lenovo Group 6.536%	200,000	US$	27.07.2032		186	0.14
Lloyds Banking Group FRN	160,000	£	15.12.2031		155	0.12
Lloyds Banking Group FRN	200,000	US$	11.08.2033		175	0.13
Magallanes 5.141%	650,000	US$	15.03.2052		480	0.37
Mediobanca Banca di Credito Finanziario FRN	122,000	€	07.02.2029		122	0.09
Merlin Properties Socimi 1.875%	300,000	€	04.12.2034		201	0.15
Metso Outotec 0.875%	260,000	€	26.05.2028		217	0.17

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Metso Outotec 4.875%	105,000	€	07.12.2027		108	0.08
Mexico (United Mexican States) 5%	30,000,000	MXN	06.03.2025		1,385	1.06
Mohawk Capital Finance 1.75%	300,000	€	12.06.2027		275	0.21
Mondi Finance Europe 2.375%	340,000	€	01.04.2028		312	0.24
National Grid 4.275%	190,000	€	16.01.2035		187	0.14
Nationwide Building Society FRN	245,000	€	25.07.2029		234	0.18
NE Property 2%	375,000	€	20.01.2030		265	0.20
NewRiver REIT 3.5%	140,000	£	07.03.2028		136	0.10
NIBC Bank 0.25%	300,000	€	09.09.2026		255	0.20
NN Group FRN	320,000	€	01.03.2043		302	0.23
OCI 3.625%	328,500	€	15.10.2025		322	0.25
Omnicom Group 4.2%	260,000	US$	01.06.2030		229	0.18
Oracle 3.6%	340,000	US$	01.04.2040		241	0.18
Oracle 3.85%	155,000	US$	15.07.2036		121	0.09
Orange FRN	300,000	€	31.12.2099		251	0.19
Ørsted 2.875%	275,000	€	14.06.2033		253	0.19
Pearson Funding 3.75%	310,000	£	04.06.2030		317	0.24
Pentair Finance 5.9%	300,000	US$	15.07.2032		284	0.22
Peru (Republic of) 6.95%	463,000	PEN	12.08.2031		110	0.08
PPG Industries 2.75%	195,000	€	01.06.2029		181	0.14
Principality Building Society 2.375%	190,000	£	23.11.2023		212	0.16
PVH 4.625%	65,000	US$	10.07.2025		58	0.04
Quadient 2.25%	200,000	€	03.02.2025		189	0.14
Raiffeisen Bank International FRN	100,000	€	12.03.2030		82	0.06
Raiffeisen Bank International FRN	100,000	€	20.12.2032		96	0.07
Raiffeisen Bank International FRN	400,000	€	17.06.2033		280	0.21
RCI Banque 4.625%	135,000	€	13.07.2026		136	0.10
Rentokil Initial Finance 4.375%	100,000	€	27.06.2030		101	0.08
RL Finance Bonds No. 2 FRN	155,000	£	30.11.2043		175	0.13
Rogers Communications 4.55%	345,000	US$	15.03.2052		261	0.20

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Sagax 1%	175,000	€	17.05.2029		120	0.09
Santander UK Group Holdings FRN	438,000	€	25.08.2028		413	0.32
SATO 1.375%	470,000	€	24.02.2028		353	0.27
SBB Treasury 1.125%	300,000	€	26.11.2029		163	0.12
SEB 1.375%	200,000	€	16.06.2025		188	0.14
Signify 2.375%	335,000	€	11.05.2027		312	0.24
Smith & Nephew 4.565%	200,000	€	11.10.2029		203	0.16
Snam 1.25%	315,000	€	20.06.2034		232	0.18
Sofina 1%	300,000	€	23.09.2028		233	0.18
SSE FRN	415,000	€	31.12.2099		375	0.29
Stagecoach Group 4%	170,000	£	29.09.2025		183	0.14
Standard Chartered FRN	200,000	US$	01.04.2031		171	0.13
Standard Chartered FRN	320,000	€	23.09.2031		275	0.21
Stellantis 1.25%	235,000	€	20.06.2033		176	0.13
Stellantis 2.75%	120,000	€	01.04.2032		106	0.08
Suez 5%	100,000	€	03.11.2032		106	0.08
Swedbank FRN	100,000	€	23.08.2032		93	0.07
Swedbank FRN	130,000	£	15.11.2032		151	0.12
Swiss Re Finance FRN	400,000	€	04.06.2052		309	0.24
TDC Net 5.618%	200,000	€	06.02.2030		198	0.15
Terna - Rete Elettrica Nazionale 0.75%	370,000	€	24.07.2032		284	0.22
Tesco Corporate Treasury Services 1.875%	235,000	£	02.11.2028		226	0.17
Thermo Fisher Scientific Finance I 2%	410,000	€	18.10.2051		265	0.20
Upjohn Finance 1.908%	515,000	€	23.06.2032		396	0.30
Verizon Communications 4.329%	310,000	US$	21.09.2028		281	0.22
Verizon Communications 4.75%	145,000	€	31.10.2034		154	0.12
Vestas Wind Systems Finance 1.5%	345,000	€	15.06.2029		300	0.23
Virgin Money FRN	295,000	£	24.04.2026		311	0.24
Viterra Finance 1%	115,000	€	24.09.2028		94	0.07
Viterra Finance 5.25%	200,000	US$	21.04.2032		167	0.13

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Volkswagen International Finance FRN	100,000	€	31.12.2099		91	0.07
Volkswagen International Finance FRN	300,000	€	31.12.2099		257	0.20
Volkswagen International Finance FRN	100,000	€	31.12.2099		89	0.07
Vonovia 1.625%	200,000	€	01.09.2051		91	0.07
Wendel 1.375%	400,000	€	18.01.2034		286	0.22
Westlake Chemical 1.625%	360,000	€	17.07.2029		303	0.23
Westpac Banking FRN	275,000	€	13.05.2031		240	0.18
Weyerhaeuser 3.375%	290,000	US$	09.03.2033		233	0.18
Whitbread Group 2.375%	225,000	£	31.05.2027		221	0.17
Workspace Group 2.25%	325,000	£	11.03.2028		282	0.22
WPP Finance 3.75%	200,000	£	19.05.2032		198	0.15
Yara International 7.378%	85,000	US$	14.11.2032		86	0.07
Yorkshire Building Society FRN	355,000	£	11.10.2030		351	0.27
'BB' credit rated bonds					**24,956**	**19.10**
Abertis Infraestructuras Finance FRN	400,000	€	31.12.2099		357	0.27
Adevinta 3%	355,000	€	15.11.2027		322	0.25
AIB Group FRN	200,000	€	30.05.2031		181	0.14
AIB Group FRN	205,000	€	31.12.2099		184	0.14
AT&T FRN	300,000	€	31.12.2099		279	0.21
Atos 1%	200,000	€	12.11.2029		136	0.10
Atos 2.5%	100,000	€	07.11.2028		76	0.06
Banco Bilbao Vizcaya Argentaria FRN	200,000	€	31.12.2099		184	0.14
Banco BPM 1.625%	250,000	€	18.02.2025		235	0.18
Banco de Crédito Social Cooperativo FRN	100,000	€	22.09.2026		102	0.08
Banco de Sabadell FRN	200,000	€	12.12.2028		197	0.15
Banco de Sabadell FRN	100,000	€	16.08.2033		88	0.07
Banco de Sabadell 2.5%	100,000	€	15.04.2031		83	0.06
Banco Santander FRN	200,000	€	31.12.2099		159	0.12
Bank of Ireland Group FRN	520,000	€	11.08.2031		445	0.34
Barclays FRN	205,000	€	22.03.2031		176	0.13

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Barclays FRN	120,000	£	14.11.2032		141	0.11
Belden 3.875%	385,000	€	15.03.2028		358	0.27
Berry Global 1.5%	375,000	€	15.01.2027		335	0.26
Bertelsmann FRN	300,000	€	23.04.2075		274	0.21
BNP Paribas FRN	460,000	US$	31.12.2099		393	0.30
Brazil (Federal Republic of) 10%	1,000,000	BRL	01.01.2029		163	0.12
CaixaBank FRN	100,000	£	25.10.2033		110	0.08
CaixaBank FRN	200,000	€	31.12.2099		191	0.15
Canpack Via Eastern PA Land Investment Holding 2.375%	400,000	€	01.11.2027		327	0.25
Castellum FRN	385,000	€	31.12.2099		256	0.20
Cellnex Finance 2%	200,000	€	15.02.2033		153	0.12
Charter Communications Operating Via Charter Communications Operating Capital 5.25%	405,000	US$	01.04.2053		300	0.23
Charter Communications Operating Via Charter Communications Operating Capital 6.384%	200,000	US$	23.10.2035		182	0.14
Commerzbank FRN	400,000	€	29.12.2031		326	0.25
Commerzbank FRN	100,000	£	28.02.2033		114	0.09
Co-operative Bank Finance FRN	100,000	£	27.11.2025		115	0.09
Co-operative Bank Finance FRN	200,000	£	25.04.2029		226	0.17
Co-operative Group Holdings 7.5%	320,000	£	08.07.2026		340	0.26
CPI Property Group FRN	360,000	€	25.07.2028		142	0.11
CPI Property Group FRN	260,000	€	31.12.2099		112	0.09
Daily Mail & General Trust 6.375%	150,000	£	21.06.2027		156	0.12
Deutsche Bank FRN	700,000	€	24.06.2032		607	0.46
DIRECTV Holdings Via DIRECTV Financing 5.875%	345,000	US$	15.08.2027		284	0.22
Dometic Group 2%	475,000	€	29.09.2028		365	0.28
EDP - Energias de Portugal FRN	400,000	€	14.03.2082		336	0.26
Encore Capital Group 5.375%	370,000	£	15.02.2026		377	0.29
Erste Group Bank FRN	200,000	€	31.12.2099		187	0.14
Eurofins Scientific FRN	370,000	€	31.12.2099		342	0.26

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Eurofins Scientific FRN	130,000	€	31.12.2099		129	0.10
Fastighets Balder FRN	475,000	€	02.06.2081		320	0.24
Faurecia 3.75%	200,000	€	15.06.2028		179	0.14
Faurecia 7.25%	150,000	€	15.06.2026		155	0.12
Ford Motor Credit 4.535%	260,000	£	06.03.2025		285	0.22
Gatwick Airport Finance 4.375%	320,000	£	07.04.2026		337	0.26
Goodyear Europe 2.75%	370,000	€	15.08.2028		302	0.23
Heimstaden Bostad FRN	420,000	€	31.12.2099		233	0.18
ICCREA Banca FRN	365,000	€	17.01.2027		327	0.25
Iliad 1.875%	200,000	€	25.04.2025		190	0.15
Infineon Technologies FRN	300,000	€	31.12.2099		273	0.21
Intesa Sanpaolo FRN	600,000	US$	01.06.2032		396	0.30
Intesa Sanpaolo Vita FRN	100,000	€	31.12.2049		96	0.07
Intesa Sanpaolo Vita 2.375%	250,000	€	22.12.2030		187	0.14
Intrum 3.5%	255,000	€	15.07.2026		213	0.16
Intrum 4.875%	135,000	€	15.08.2025		124	0.09
IQVIA 2.25%	270,000	€	15.03.2029		230	0.18
Kennedy Wilson Europe Real Estate 3.25%	300,000	€	12.11.2025		262	0.20
Koninklijke KPN FRN	300,000	€	31.12.2099		284	0.22
Lagardere 1.625%	100,000	€	21.06.2024		98	0.08
Lagardere 2.125%	200,000	€	16.10.2026		195	0.15
Levi Strauss 3.375%	275,000	€	15.03.2027		257	0.20
Macy's Retail Holdings 4.5%	255,000	US$	15.12.2034		166	0.13
Marks & Spencer 4.5%	400,000	£	10.07.2027		408	0.31
Meritage Homes 3.875%	230,000	US$	15.04.2029		188	0.14
MPT Operating Partnership Via MPT Finance 0.993%	380,000	€	15.10.2026		258	0.20
Nationwide Building Society FRN	200,000	£	31.12.2099		205	0.16
NatWest Group FRN	485,000	€	14.09.2032		396	0.30
Norddeutsche Landesbank-Girozentrale 6.25%	400,000	US$	10.04.2024		356	0.27
Nordstrom 4.25%	16,000	US$	01.08.2031		10	0.01

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Nordstrom 4.375%	135,000	US$	01.04.2030		94	0.07
Organon Via Organon Foreign Debt Co-Issuer 2.875%	355,000	€	30.04.2028		313	0.24
Paprec Holding 3.5%	240,000	€	01.07.2028		210	0.16
Paprec Holding 4%	105,000	€	31.03.2025		104	0.08
Permanent TSB Group Holdings FRN	285,000	€	30.06.2025		282	0.22
Permanent TSB Group Holdings FRN	220,000	€	19.08.2031		176	0.13
Pilgrim's Pride 3.5%	185,000	US$	01.03.2032		137	0.10
Pinewood Finance 3.25%	355,000	£	30.09.2025		379	0.29
Premier Foods Finance 3.5%	325,000	£	15.10.2026		337	0.26
RCI Banque FRN	200,000	€	18.02.2030		183	0.14
Samhällsbyggnadsbolaget i Norden FRN	270,000	€	31.12.2099		103	0.08
Sappi Papier Holding 3.625%	360,000	€	15.03.2028		314	0.24
Schaeffler 3.375%	400,000	€	12.10.2028		367	0.28
SES FRN	135,000	€	29.12.2049		133	0.10
SES FRN	330,000	€	31.12.2099		269	0.21
Société Générale FRN	455,000	US$	29.12.2049		392	0.30
Solvay Finance FRN	320,000	€	29.12.2049		319	0.24
Synthomer 3.875%	300,000	€	01.07.2025		276	0.21
Telefónica Europe FRN	400,000	€	31.12.2099		343	0.26
Terna - Rete Elettrica Nazionale FRN	115,000	€	31.12.2099		96	0.07
Triodos Bank FRN	500,000	€	05.02.2032		374	0.29
Unibail-Rodamco-Westfield FRN	300,000	€	31.12.2099		232	0.18
Unicaja Banco FRN	400,000	€	15.11.2027		403	0.31
UniCredit FRN	200,000	€	20.02.2029		197	0.15
UniCredit FRN	200,000	US$	03.04.2049		173	0.13
UniCredit FRN	260,000	€	31.12.2099		230	0.18
Valeo 5.375%	300,000	€	28.05.2027		298	0.23
Veolia Environnement FRN	100,000	€	31.12.2099		82	0.06
Virgin Media Secured Finance 4.25%	350,000	£	15.01.2030		325	0.25
Vodafone Group FRN	420,000	€	27.08.2080		340	0.26

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds					**11,678**	**8.94**
AA Bond 6.5%	100,000	£	31.01.2026		97	0.07
Ams 6%	335,000	€	31.07.2025		313	0.24
Avantor Funding 3.875%	345,000	€	15.07.2028		323	0.25
Avis Budget Finance 4.75%	300,000	€	30.01.2026		293	0.23
Banco Comercial Português FRN	100,000	€	17.05.2032		71	0.06
Banco de Crédito Social Cooperativo FRN	200,000	€	27.11.2031		154	0.12
Catalent Pharma Solutions 2.375%	250,000	€	01.03.2028		226	0.17
Chemours 4%	355,000	€	15.05.2026		328	0.25
CHS Via Community Health Systems 8%	315,000	US$	15.12.2027		276	0.21
CPUK Finance 6.5%	120,000	£	28.08.2026		130	0.10
Dana Financing Luxembourg 3%	475,000	€	15.07.2029		370	0.28
Elior Group 3.75%	375,000	€	15.07.2026		329	0.25
Energizer Gamma Acquisition 3.5%	380,000	€	30.06.2029		306	0.23
Eurobank FRN	215,000	€	26.01.2029		210	0.16
Grifols Escrow Issuer 3.875%	100,000	€	15.10.2028		78	0.06
Gruenenthal 4.125%	250,000	€	15.05.2028		227	0.17
Guala Closures 3.25%	365,000	€	15.06.2028		314	0.24
Heathrow Finance 4.125%	225,000	£	01.09.2029		214	0.16
Herbalife Nutrition Via HLF Financing 7.875%	300,000	US$	01.09.2025		261	0.20
Iceland Bondco 4.375%	400,000	£	15.05.2028		338	0.26
International Design Group 6.5%	340,000	€	15.11.2025		328	0.25
LeasePlan FRN	230,000	€	31.12.2099		222	0.17
Lorca Telecom Bondco 4%	340,000	€	18.09.2027		313	0.24
Nidda Healthcare Holding 7.5%	310,000	€	21.08.2026		304	0.23
Nobian Finance 3.625%	375,000	€	15.07.2026		327	0.25
Nomad Foods Bondco 2.5%	370,000	€	24.06.2028		324	0.25
Novo Banco FRN	300,000	€	06.07.2028		287	0.22
Ocado Group 3.875%	370,000	£	08.10.2026		315	0.24
Ontex Group 3.5%	370,000	€	15.07.2026		326	0.25
Pinnacle Bidco 5.5%	325,000	€	15.02.2025		302	0.23

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
PLT VII Finance 4.625%	325,000	€	05.01.2026		305	0.23
Rakuten Group FRN	215,000	€	31.12.2099		114	0.09
Sherwood Financing 4.5%	260,000	€	15.11.2026		224	0.17
Spectrum Brands 4%	250,000	€	01.10.2026		236	0.18
Telecom Italia 6.875%	187,000	€	15.02.2028		191	0.15
Telecom Italia Finance 7.75%	145,000	€	24.01.2033		156	0.12
Tenet Healthcare 6.125%	295,000	US$	15.06.2030		264	0.20
Thames Water Kemble Finance 4.625%	330,000	£	19.05.2026		333	0.26
TI Automotive Finance 3.75%	470,000	€	15.04.2029		360	0.28
UPCB Finance VII 3.625%	350,000	€	15.06.2029		305	0.23
Verisure Holding 3.875%	175,000	€	15.07.2026		163	0.13
Verisure Holding 7.125%	100,000	€	01.02.2028		100	0.08
Verisure Holding 9.25%	100,000	€	15.10.2027		108	0.08
Voyage Care Bondco 5.875%	305,000	£	15.02.2027		289	0.22
VZ Vendor Financing II 2.875%	370,000	€	15.01.2029		296	0.23
WP/AP Telecom Holdings IV 3.75%	375,000	€	15.01.2029		328	0.25
'CCC' credit rated bonds					**1,115**	**0.85**
Banco Comercial Português FRN	200,000	€	31.12.2099		166	0.13
Casino Guichard Perrachon 5.25%	200,000	€	15.04.2027		59	0.04
Casino Guichard Perrachon 6.625%	320,000	€	15.01.2026		99	0.07
Grifols 3.2%	245,000	€	01.05.2025		223	0.17
Midco 7.75%	325,000	€	01.11.2027		295	0.23
Triton Water Holdings 6.25%	380,000	US$	01.04.2029		273	0.21
'CC' credit rated bonds					**286**	**0.22**
ADLER Group 4.25%	300,000	€	26.07.2024		212	0.16
ADLER Real Estate 3%	100,000	€	27.04.2026		74	0.06
'C' credit rated bonds						
Bausch Health 6.25%	330,000	US$	15.02.2029		**119**	**0.09**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt derivatives					**(1,366)**	**(1.05)**
Interest rate futures					**(1,366)**	**(1.05)**
Deutscher Bobl 5 year Futures	(227)	€	08.06.2023	224	(549)	(0.42)
Deutscher Bund 10 year Futures	(101)	€	08.06.2023	96	(419)	(0.32)
Deutscher Buxl 30 year Futures	(5)	€	08.06.2023	4	(42)	(0.03)
Deutscher Schatz 2 year Futures	(107)	€	08.06.2023	107	(106)	(0.08)
Euro OAT Futures	6	€	08.06.2023	6	25	0.02
Euro-Bono SP Gov Futures	6	€	08.06.2023	6	27	0.02
Canada Goverment Bonds 10 year Futures	10	CA$	21.06.2023	6	(17)	(0.01)
US Treasury Notes 10 year Futures	(64)	US$	21.06.2023	60	(174)	(0.14)
US Treasury Notes 30 year Futures	(6)	US$	21.06.2023	6	(27)	(0.02)
US Ultra Bond Futures	(19)	US$	21.06.2023	16	(89)	(0.07)
UK Treasury Notes Futures	(35)	£	28.06.2023	42	(93)	(0.07)
US Treasury Notes 2 year Futures	46	US$	30.06.2023	84	90	0.07
US Treasury Notes 5 year Futures	4	US$	30.06.2023	4	8	0.00
Currency					**99**	**0.07**
Forward currency contracts					**99**	**0.07**
Bought for € 18,144,496.91, Sold for £ 16,128,681.08			06.04.2023		(216)	(0.17)
Bought for € 16,173,967.35, Sold for US$ 17,282,214.12			06.04.2023		278	0.21
Bought for CAD 61,832.91, Sold for € 41,670.97			21.06.2023		0	0.00
Bought for € 383,475.75, Sold for AUD 619,256.77			21.06.2023		3	0.00
Bought for € 723,879.45, Sold for CAD 1,070,074.82			21.06.2023		0	0.00
Bought for € 1,343,033.73, Sold for MXN 27,636,802.68			21.06.2023		(38)	(0.03)
Bought for € 498,010.61, Sold for NZD 866,413.94			21.06.2023		1	0.00
Bought for € 5,067,009.45, Sold for US$ 5,441,909.36			21.06.2023		83	0.06
Bought for US$ 178,031.40, Sold for BRL 942,200.00			21.06.2023		(4)	0.00
Bought for US$ 196,819.55, Sold for € 182,095.31			21.06.2023		(1)	0.00
Bought for US$ 181,042.50, Sold for IDR 2,807,487,184.00			21.06.2023		(6)	0.00
Bought for US$ 119,558.40, Sold for PEN 454,450.00			21.06.2023		(1)	0.00
Portfolio of investments					**114,861**	**87.90**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Cash equivalents					**8,224**	**6.29**
'AAA' rated money market funds						
BlackRock ICS Euro Liquidity Fund	71,867	€			7,103	5.43
JPMorgan Liquidity Funds - EUR Liquidity LVNAV Fund	113	€			1,121	0.86
Total portfolio					**123,085**	**94.19**
Net other assets/(liabilities)					7,577	5.81
Net assets					**130,662**	**100.00**

Portfolio summary		
Investment assets		
Debt securities	116,128	88.88
Unrealised gains on futures contracts	150	0.11
Unrealised gains on forward currency contracts	365	0.27
Total Investment assets	**116,643**	**89.26**
Investment liabilities		
Unrealised losses on futures contracts	(1,516)	(1.16)
Unrealised losses on forward currency contracts	(266)	(0.20)
Total Investment liabilities	**(1,782)**	**(1.36)**
Total portfolio	**114,861**	**87.90**
Cash equivalents	**8,224**	**6.29**
Net other assets/(liabilities)	**7,577**	**5.81**
Net assets	**130,662**	**100.00**

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures		
	Forward currency contracts €'000	Futures €'000	Collateral held as cash €'000
Bank of America Merrill Lynch	0	661	0
BNP Paribas	38,055	0	0
Citigroup Global Markets Limited	14	0	0
Goldman Sachs International	487	0	0
HSBC Bank Plc	7,214	0	0
JP Morgan London	2,981	0	260
Merrill Lynch Pierce Fenner + Smith Inc	7,863	0	0
National Australia Bank Ltd	10	0	0
State Street Bank and Trust Company, London Branch	30,224	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'P' Accumulation	-0.4	n/a	n/a	+0.6	24.02.22
Class 'P' Distribution	-0.4	n/a	n/a	+0.6	24.02.22
Class 'P2' Accumulation	n/a	n/a	n/a	+3.4	27.09.22
Class 'U' Accumulation	+0.2	n/a	n/a	+1.1	24.02.22
Class 'U' Distribution	+0.2	n/a	n/a	+1.1	24.02.22
Class 'UI' Accumulation	+0.3	n/a	n/a	+1.2	24.02.22
Class 'UI' Distribution	+0.2	n/a	n/a	+1.2	24.02.22
Class 'W' Accumulation	n/a	n/a	n/a	+3.6	27.09.22
Class 'WI' Accumulation	n/a	n/a	n/a	+3.7	27.09.22

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'P' Accumulation	1,588,879.464	10.0642	10.0789	n/a
Class 'P' Distribution	231,390.944	9.8630	10.0789	n/a
Class 'P2' Accumulation	1,000.000	10.3360	n/a	n/a
Class 'U' Accumulation	1,000.000	10.1259	10.0847	n/a
Class 'U' Distribution	1,001.000	9.9252	10.0846	n/a
Class 'UI' Accumulation	11,081,901.369	10.1328	10.0849	n/a
Class 'UI' Distribution	1,003.000	9.9293	10.0850	n/a
Class 'W' Accumulation	1,001.000	10.3625	n/a	n/a
Class 'WI' Accumulation	4,600.000	10.3664	n/a	n/a

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	130,662	15,682	n/a
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**130,662**	**15,682**	**n/a**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'P' Accumulation	1.11
Class 'P2' Accumulation	1.11
Class 'P' Distribution	1.11
Class 'U' Accumulation	0.53
Class 'U' Distribution	0.53
Class 'UI' Accumulation	0.49
Class 'UI' Distribution	0.49
Class 'W' Accumulation	0.60
Class 'WI' Accumulation	0.56

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

The sub-fund delivered a negative return.

As the sub-fund launched in December 2021 it is less than five years old and therefore cannot report on volatility over five years, which is its objective. However, broadly, as volatility increased both in equities and fixed income markets last year the sub-fund has not benefited from cross-asset diversification. We expect diversification to improve going forward given current yield levels in the fixed income space.

The investment period began with a particularly challenging environment across all major asset classes. Risk aversion took hold over fears of rising interest rates, global growth concerns and ongoing COVID-19 lockdowns in China.

This was against a backdrop of the ongoing war in Ukraine and its associated energy and supply-chain issues as well as banking sector turmoil late in the period following the failure of Silicon Valley Bank in the US and the rescue of Credit Suisse in Europe.

This led to disappointing returns across most major asset classes for much of the investment period. Equities, where we have most exposure, performed negatively with the exception of Asia, which was boosted by the reopening of China after its many COVID-19 lockdowns. North America was a strong detractor given the weight of our equity holdings in the region.

There were a few highlights in the overall sub-fund performance. Mainstream bonds were strongly negative and detracted from performance with the exception of the UK, which posted a positive performance relative to the benchmark.

Corporate bonds overall were marginally negative. In emerging markets, Mexican bonds contributed positively as did non-mainstream government bonds in Chile, though the latter was dragged down as an asset class by Colombian non-government bonds.

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.

Investment activities

Throughout the 12 months, we carried out minor portfolio rebalancing and remain ready to deploy cash towards sustainable assets as opportunities arise. We had expected markets to remain volatile and our investment approach remained adaptive and tactical in relation to our outlook and positioning.

Activity was fairly quiet early in the period, and we added a small amount to US technology equities amid the weakness in the sector. We also reduced our emerging market bond exposure following some steady performance in the local currency space.

We sold some of our European equity exposure following the rally in the summer of 2022, focusing on names that we felt had weaker environmental, social and governance (ESG) profiles. Thereafter, we added exposure to the European banking sector via positions in green bonds, as we feel that the majority of larger banks are in good shape from a fundamentals standpoint.

Towards the end of the period, we carried out a small amount of portfolio rebalancing to improve the sustainability credentials of the sub-fund. These changes included selling out of LG following an ESG downgrade from MSCI. We also sold out of Honda on sustainability concerns. We invested the proceeds into Takeda Pharmaceutical and Hitachi.

Outlook

Inflation has again been the main story over 2022 and into 2023 despite central banks' measures to bring it under control.

The inflationary outlook, however, is somewhat diverging between the US and higher inflation in the UK and Europe, although tightening labour markets could drive up wages and add to inflationary pressures, so there is no room for complacency as worries over the possibility of a global recession continue, and it could

Investment review

be a question of how long, and how deep, that recession might be.

These conditions may make equities look risky and bonds more favourable, and our sub-fund remains balanced and diversified, with a focus on being prepared for volatility ahead.

Maria Municchi
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

Until 21 November 2022, the sub-fund was categorised as an Article 8 fund under SFDR. From 22 November 2022, the sub-fund is categorised as an Article 9 fund under SFDR. Information related to the sustainable investments of the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities					**135,182**	**79.16**
United Kingdom					**16,991**	**9.95**
Barratt Developments	199,065	£			1,067	0.62
Ceres Power Holdings	312,854	£			1,374	0.80
DS Smith	402,628	£			1,444	0.85
Greencoat UK Wind	1,778,606	£			3,175	1.86
Helios Towers	1,121,846	£			1,360	0.80
Home REIT[a]	3,646,453	£			1,581	0.93
Legal & General Group	498,173	£			1,361	0.80
Marks & Spencer Group	586,853	£			1,118	0.65
Octopus Renewables Infrastructure Trust	3,062,324	£			3,380	1.98
WPP	103,990	£			1,131	0.66
Belgium						
KBC Group	20,033	€			**1,260**	**0.74**
Denmark					**6,172**	**3.61**
ALK-Abello	113,175	DKK			1,601	0.94
Novo Nordisk 'B'	12,164	DKK			1,767	1.03
Ørsted	18,204	DKK			1,409	0.82
ROCKWOOL International 'B'	6,201	DKK			1,395	0.82
France					**8,327**	**4.88**
BNP Paribas	21,818	€			1,200	0.70
Capgemini	8,280	€			1,407	0.83
Crédit Agricole	112,678	€			1,173	0.69
Danone	25,863	€			1,489	0.87
Kering	2,332	€			1,402	0.82
Schneider Electric	10,855	€			1,656	0.97
Germany					**6,586**	**3.86**
Allianz	7,038	€			1,497	0.88
Bayerische Motoren Werke	18,877	€			1,910	1.12
Fresenius Medical Care	39,009	€			1,520	0.89
SAP	14,333	€			1,659	0.97
Guernsey						
Renewables Infrastructure Group	1,714,154	£			**2,432**	**1.42**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
Ireland						
Greencoat Renewables	2,886,494	€			**3,168**	**1.86**
Italy					**3,112**	**1.82**
Assicurazioni Generali	91,700	€			1,689	0.99
Terna - Rete Elettrica Nazionale	184,940	€			1,423	0.83
Netherlands (The)						
ING Groep	118,141	€			**1,287**	**0.75**
Spain					**5,392**	**3.16**
Amadeus IT Group	28,927	€			1,766	1.04
Banco Bilbao Vizcaya Argentaria	191,455	€			1,265	0.74
Grifols	133,749	€			1,212	0.71
Telefónica	286,837	€			1,149	0.67
United States					**43,638**	**25.56**
Agilent Technologies	11,682	US$			1,447	0.85
Alphabet 'A'	17,860	US$			1,658	0.97
American Express	8,392	US$			1,259	0.74
AMERISAFE	28,156	US$			1,264	0.74
Ansys	3,917	US$			1,179	0.69
Apple	11,428	US$			1,711	1.00
Ball	29,103	US$			1,454	0.85
Bank of New York Mellon	37,744	US$			1,560	0.91
BlackRock	2,094	US$			1,275	0.75
Bright Horizons Family Solutions	21,698	US$			1,523	0.89
CBRE Group 'A'	18,851	US$			1,230	0.72
eBay	31,728	US$			1,283	0.75
Hannon Armstrong Sustainable Infrastructure Capital	61,579	US$			1,605	0.94
Illumina	7,637	US$			1,586	0.93
Intel	43,708	US$			1,290	0.76
Johnson Controls International	25,800	US$			1,414	0.83
Kellogg	24,033	US$			1,474	0.86
Lam Research	2,701	US$			1,328	0.78

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
United States (continued)						
Microsoft	5,758	US$			1,509	0.88
NVIDIA	7,541	US$			1,909	1.12
ON Semiconductor	20,435	US$			1,546	0.90
PNC Financial Services Group	13,267	US$			1,549	0.91
Procter & Gamble	9,523	US$			1,292	0.76
Quest Diagnostics	10,727	US$			1,376	0.81
Republic Services	11,724	US$			1,457	0.85
Texas Instruments	8,469	US$			1,438	0.84
Thermo Fisher Scientific	2,636	US$			1,367	0.80
UnitedHealth Group	3,495	US$			1,513	0.89
Visa 'A'	8,168	US$			1,674	0.98
Xylem	15,532	US$			1,468	0.86
Canada						
Boralex 'A'	62,044	CA$			**1,715**	**1.00**
Brazil					**2,648**	**1.55**
AES Brasil Energia	836,856	BRL			1,503	0.88
Cogna Educação	3,494,933	BRL			1,145	0.67
Japan					**10,858**	**6.36**
Dai-ichi Life Holdings	54,600	¥			917	0.54
Daiwa House Industry	48,700	¥			1,049	0.61
Hitachi	18,400	¥			922	0.54
Horiba	35,100	¥			1,921	1.12
Katitas	85,600	¥			1,524	0.89
Obayashi	148,100	¥			1,036	0.61
Panasonic Holdings	141,400	¥			1,154	0.68
Sony Group	11,200	¥			926	0.54
Takeda Pharmaceutical	46,900	¥			1,409	0.83
Australia					**3,401**	**1.99**
Brambles	217,831	AU$			1,801	1.05
Cochlear	11,017	AU$			1,600	0.94

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Equities (continued)						
China						
Lenovo Group	1,804,000	HK$			**1,797**	**1.05**
Hong Kong					**2,990**	**1.75**
AIA Group	155,200	HK$			1,506	0.88
Swire Properties	625,400	HK$			1,484	0.87
India						
HDFC Bank ADR	25,523	US$			**1,555**	**0.91**
South Korea						
Samsung Electronics	33,071	KRW			**1,494**	**0.87**
Taiwan					**6,074**	**3.56**
ASE Technology Holding	486,000	TW$			1,656	0.97
Cathay Financial Holding	1,122,356	TW$			1,417	0.83
E.Sun Financial Holding	1,946,508	TW$			1,486	0.87
Taiwan Semiconductor Manufacturing	94,000	TW$			1,515	0.89
Georgia						
Bank of Georgia Group	51,413	£			**1,608**	**0.94**
Israel						
SolarEdge Technologies	5,072	US$			**1,385**	**0.81**
South Africa						
Sanlam	444,713	ZAR			**1,292**	**0.76**
Fixed income					**31,228**	**18.29**
Supranational					**6,427**	**3.76**
Investment grade corporate bonds					**6,427**	**3.76**
European Bank for Reconstruction & Development 4.25%	8,900,000,000	IDR	07.02.2028		501	0.29
European Investment Bank 0%	46,990,000	ZAR	18.10.2032		983	0.58
Inter-American Development Bank 4.375%	2,764,000	US$	24.01.2044		2,611	1.53
Inter-American Development Bank 5.1%	8,710,000,000	IDR	17.11.2026		517	0.30
International Bank for Reconstruction & Development 4.25%	24,600,000	MXN	22.01.2026		1,095	0.64
International Bank for Reconstruction & Development 5%	4,560,000	BRL	22.01.2026		720	0.42

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
United Kingdom					**1,365**	**0.80**
Government bonds						
UK Gilt 1.5%	1,520,740	£	31.07.2053		**1,008**	**0.59**
Below investment grade corporate bonds						
Vodafone Group 0.9%	388,000	€	24.11.2026		**357**	**0.21**
Belgium						
Below investment grade corporate bonds						
KBC Group FRN	500,000	€	01.03.2027		**447**	**0.26**
France					**1,438**	**0.84**
Below investment grade corporate bonds					**1,438**	**0.84**
Électricité de France 3.625%	421,000	US$	13.10.2025		377	0.22
Renault 1%	282,000	€	28.11.2025		262	0.15
Société Générale FRN	500,000	€	22.09.2028		428	0.25
Unibail-Rodamco-Westfield 2.5%	375,000	€	26.02.2024		371	0.22
Germany					**13,848**	**8.11**
Government bonds					**13,273**	**7.77**
Germany (Federal Republic of) 0%	9,992,000	€	13.04.2023		9,986	5.85
Germany (Federal Republic of) 0%	3,331,611	€	20.09.2023		3,287	1.92
Investment grade corporate bonds						
Mercedes-Benz Group 0.75%	388,000	€	10.09.2030		**322**	**0.19**
Below investment grade corporate bonds						
ZF Finance 2.25%	300,000	€	03.05.2028		**253**	**0.15**
Italy						
Below investment grade corporate bonds						
Intesa Sanpaolo 4.75%	338,000	€	06.09.2027		**337**	**0.20**
Netherlands (The)						
Below investment grade corporate bonds						
ING Groep 2.5%	500,000	€	15.11.2030		**452**	**0.27**
Portugal						
Below investment grade corporate bonds						
EDP - Energias de Portugal 1.625%	400,000	€	15.04.2027		**369**	**0.22**

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Sweden					**757**	**0.44**
Below investment grade corporate bonds					**757**	**0.44**
Swedbank FRN	493,000	€	20.05.2027		433	0.25
Volvo Car 4.25%	342,000	€	31.05.2028		324	0.19
United States					**4,048**	**2.37**
Investment grade corporate bonds					**2,290**	**1.34**
Apple 0%	189,000	€	15.11.2025		174	0.10
Apple 3%	397,000	US$	20.06.2027		351	0.21
Inter-American Development Bank 0.875%	1,222,000	US$	03.04.2025		1,052	0.62
International Bank for Reconstruction & Development 0%	2,200,000	BRL	30.01.2024		362	0.21
Prologis 1.25%	487,000	US$	15.10.2030		351	0.20
Below investment grade corporate bonds					**1,543**	**0.90**
Ball 2.875%	501,000	US$	15.08.2030		378	0.22
Boston Properties 2.55%	359,000	US$	01.04.2032		234	0.14
Boston Properties 4.5%	399,000	US$	01.12.2028		318	0.18
Xylem 1.95%	326,000	US$	30.01.2028		267	0.16
Xylem 2.25%	451,000	US$	30.01.2031		346	0.20
Interest rate futures						
US Ultra Bond Futures	51	US$	21.06.2023	43	**215**	**0.13**
Chile					**1,115**	**0.65**
Government bonds					**1,115**	**0.65**
Chile (Republic of) 1.25%	408,000	€	29.01.2040		273	0.16
Chile (Republic of) 5%	760,000,000	CLP	01.10.2028		842	0.49
Colombia						
Government bonds						
Colombia (Republic of) 7%	4,141,400,000	COP	26.03.2031		**625**	**0.37**
Currency					**(189)**	**(0.11)**
Forward currency contracts						
Bought for US$ 6,218,358.44, Sold for TWD 187,039,744.00			12.04.2023		70	0.04
Bought for DKK 4,117,537.17, Sold for € 553,307.92			28.04.2023		0	0.00
Bought for € 3,141,466.02, Sold for AUD 4,824,390.21			28.04.2023		173	0.10

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Currency (continued)						
Forward currency contracts (continued)						
Bought for € 1,302,762.53, Sold for CAD 1,911,174.12			28.04.2023		6	0.00
Bought for € 6,361,373.22, Sold for DKK 47,293,637.76			28.04.2023		11	0.01
Bought for € 23,779,803.04, Sold for £ 21,004,426.06			28.04.2023		(112)	(0.07)
Bought for € 4,562,181.04, Sold for HKD 38,383,860.00			28.04.2023		64	0.04
Bought for € 5,277,015.26, Sold for ¥ 743,762,378.00			28.04.2023		133	0.08
Bought for € 57,659,135.65, Sold for US$ 63,055,429.54			28.04.2023		(269)	(0.16)
Bought for £ 2,140,436.87, Sold for € 2,423,996.22			28.04.2023		10	0.01
Bought for ¥ 393,727,417.00, Sold for € 2,825,570.84			28.04.2023		(103)	(0.06)
Bought for US$ 8,929,280.41, Sold for € 8,376,235.29			28.04.2023		(172)	(0.10)
Portfolio of investments					**166,221**	**97.34**
Total portfolio					**166,221**	**97.34**
Net other assets/(liabilities)					4,538	2.66
Net assets					**170,759**	**100.00**

Portfolio summary		
Investment assets		
Equity securities	129,576	75.88
Equity portfolios	5,606	3.28
Debt securities	31,013	18.16
Unrealised gains on futures contracts	215	0.13
Unrealised gains on forward currency contracts	467	0.28
Total Investment assets	**166,877**	**97.73**
Investment liabilities		
Unrealised losses on forward currency contracts	(656)	(0.39)
Total Investment liabilities	**(656)**	**(0.39)**
Total portfolio	**166,221**	**97.34**
Net other assets/(liabilities)	**4,538**	**2.66**
Net assets	**170,759**	**100.00**

[a] Suspended.

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

Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.

Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.

Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures		
	Forward currency contracts €'000	Futures €'000	Collateral held as cash €'000
Bank of America Merrill Lynch	0	43	0
BNP Paribas	4,022	0	0
HSBC Bank Plc	43,709	0	0
JP Morgan London	78,766	0	0
Merrill Lynch Pierce Fenner + Smith Inc	6,832	0	0
National Australia Bank Ltd	105,116	0	290
State Street Bank and Trust Company, London Branch	16,646	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'LI' Accumulation	-8.0	n/a	n/a	-8.8	07.12.21

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'LI' Accumulation	19,277,212.362	8.8581	9.6008	n/a

NAV at sub-fund level	**31.03.23 €'000**	**31.03.22 €'000**	**31.03.21 €'000**
Net assets	170,759	181,843	n/a
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**170,759**	**181,843**	**n/a**

Total Expense Ratio 31.03.23	**TER[a]**
Euro	**%**
Class 'LI' Accumulation	0.60

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Investment review

For the year ended 31 March 2023

Performance review

Bonds sold off around the world in the 12 months under review against a backdrop of surging interest rates, high inflation and economic concerns.

The period started with heightened volatility and risk-off sentiment amid the war in Ukraine. Commodity and energy prices skyrocketed in the aftermath of the Russian invasion because of sanctions and supply disruptions. The lingering impact of COVID-19 upheavals on global supply chains also contributed to inflation reaching multi-decade highs.

Central banks led by the Federal Reserve responded to the surging prices by kickstarting a round of interest rate increases that ended years of easy money. Higher rates weighed on bonds by driving up the yields sought by investors. (Bond prices and yields move in opposite directions.)

Global bond markets began to pick up in the second half of the period as moderating inflation spurred optimism that interest rates were nearing a peak. The collapse of Silicon Valley Bank in March further eased pressure on interest rates because lenders tightened credit criteria. Government debt rallied due to a flight to safety amid wider banking upheavals, including the forced sale of Credit Suisse. Bank bonds slumped.

Across the whole year, core government bonds and investment grade corporate debt posted losses due to the interest rate increases. High yield bonds dropped somewhat less, reflecting the sector's lower sensitivity to interest rates. Emerging market bonds suffered because of the higher Fed rates and a stronger dollar.

Against this challenging backdrop, the sub-fund posted a negative return, but marginally outperformed its benchmark over the period. The outperformance was driven by positive returns in the second half of the period, when the sub-fund benefited from favourable security selection. Our holdings in bonds with an MSCI ESG rating of AA were particularly helpful for relative returns.

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.

Investment activities

We increased exposure to government bonds over the 12 months and reduced our exposure to high yield debt. At the end of period, the sub-fund's investment grade exposure remained at just over 50%, while the allocation to government bonds and high yield was around 30% and 15% of the sub-fund respectively. Duration was lengthened during the period from 3.8 years to 5.9 years. The sub-fund added duration in euros and sterling, while reducing it in dollars. This reflects our view that inflation will fall more quickly in the eurozone than in the US.

Early in the period we added longer-dated telecom companies (in both US dollar and euros) and also sold some financial bonds and higher-rated US dollar bonds like Apple and Microsoft. Later in 2022, credit activity was focused on finding relative value trades within the primary market. This included new deals from HSBC, Intesa Sao Paolo and the Polish government. We have been active in the primary market in 2023, participating in a number of new deals including issues from Crédit Agricole, Standard Chartered, Thames Water, Oracle, Tesco, Lloyds and the Romanian and Slovakian governments.

Outlook

Inflation and interest rates remain the main concerns for the global economy and the bond market. Price increases have started to cool, but it's too early to say that inflation has been defeated. Indeed, policymakers are likely to raise interest rates further to help cool prices. Borrowing costs will probably be elevated for some time to come, and recession remains a risk.

Within the bond market, we are generally neutral on high-yield valuations. We believe supply-demand imbalances and attractive all-in yields remain supportive, along with fundamentals. We also expect a shallower default cycle than the market. In the investment grade sector, investors can benefit from

Investment review

diversification amid market uncertainties and historically high yields.

Richard Woolnough
Sub-fund manager

Investment review information as at 31 March 2023.

Employee of M&G FA Limited which is an associate of M&G Luxembourg S.A.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the sub-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 sub-fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The sub-fund is categorised as an Article 8 fund under SFDR. Information related to environmental and social characteristics promoted by the sub-fund required to be disclosed under SFDR is available in Annex 1.

Statement of investments

Statement of investments

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income					**41,839**	**92.11**
Debt securities					**41,628**	**91.65**
'AAA' credit rated bonds					**1,667**	**3.67**
Germany (Federal Republic of) 1%	250,000	€	15.08.2024		244	0.54
Germany (Federal Republic of) 1%	500,000	€	15.08.2025		481	1.06
Inter-American Development Bank FRN	250,000	US$	10.06.2031		227	0.50
Microsoft 2.4%	200,000	US$	08.08.2026		175	0.38
Microsoft 3.45%	200,000	US$	08.08.2036		169	0.37
Nationwide Building Society FRN	150,000	£	24.02.2031		167	0.37
Toronto-Dominion Bank 3.715%	200,000	€	13.03.2030		204	0.45
'AA' credit rated bonds					**10,433**	**22.97**
Apple 1.2%	200,000	US$	08.02.2028		161	0.35
Apple 3.2%	100,000	US$	11.05.2027		89	0.20
Deutsche Bahn Finance 3.625%	65,000	€	18.12.2037		65	0.14
European Union 1%	300,000	€	06.07.2032		252	0.55
European Union 1.625%	300,000	€	04.12.2029		276	0.61
European Union 3.25%	325,311	€	04.07.2034		329	0.72
France (Republic of) 1.25%	1,800,000	€	25.05.2034		1,504	3.31
France (Republic of) 2%	500,000	€	25.05.2048		396	0.87
Land Securities Capital Markets 4.875%	100,000	£	15.09.2034		115	0.25
Metropolitan Life Global Funding I 1.625%	100,000	£	12.10.2028		96	0.21
UK Gilt 0.625%	1,800,000	£	22.10.2050		935	2.06
UK Gilt 4.25%	500,000	£	07.12.2046		599	1.32
US Treasury Bond 1.625%	800,000	US$	15.11.2050		466	1.03
US Treasury Bond 2.25%	500,000	US$	15.08.2046		344	0.76
US Treasury Note 0.75%	1,000,000	US$	31.03.2026		839	1.85
US Treasury Note 2.125%	2,000,000	US$	15.05.2025		1,765	3.89
US Treasury Note 2.25%	1,500,000	US$	15.11.2025		1,320	2.91
US Treasury Note 2.875%	1,000,000	US$	15.08.2028		882	1.94
'A' credit rated bonds					**3,601**	**7.93**
AXA FRN	200,000	€	10.07.2042		149	0.33
Bank of America FRN	300,000	€	22.03.2031		237	0.52
Banque Fédérative du Crédit Mutuel 0.625%	200,000	€	03.11.2028		164	0.36

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'A' credit rated bonds (continued)						
Chubb INA Holdings 0.875%	150,000	€	15.12.2029		124	0.27
Comcast 3.2%	83,000	US$	15.07.2036		64	0.14
East Japan Railway 4.11%	100,000	€	22.02.2043		100	0.22
Hannover Rueck FRN	200,000	€	30.06.2042		142	0.31
Home Depot 4.5%	100,000	US$	15.09.2032		92	0.20
International Business Machines 4.5%	100,000	US$	06.02.2028		92	0.20
JPMorgan Chase FRN	67,000	US$	25.07.2028		61	0.14
JPMorgan Chase FRN	72,000	US$	26.04.2033		64	0.14
JPMorgan Chase FRN	100,000	US$	25.07.2033		91	0.20
Leeds Building Society 1.375%	200,000	£	06.10.2027		192	0.42
Mizuho Financial Group FRN	100,000	€	06.09.2029		82	0.18
Morgan Stanley FRN	100,000	€	29.10.2027		87	0.19
Morgan Stanley FRN	400,000	€	26.10.2029		327	0.72
Morgan Stanley FRN	200,000	US$	01.04.2031		167	0.37
Morgan Stanley FRN	250,000	US$	13.02.2032		180	0.40
Münchener Rückversicherungs-Gesellschaft FRN	200,000	US$	23.05.2042		183	0.40
NBN 4.375%	100,000	€	15.03.2033		103	0.23
Poland (Republic of) 5.75%	90,000	US$	16.11.2032		88	0.20
Slovakia (Republic of) 3.75%	200,000	€	23.02.2035		196	0.43
Telenor 0.75%	100,000	€	31.05.2026		91	0.20
Toronto-Dominion Bank 2.875%	100,000	£	05.04.2027		104	0.23
UBS Group FRN	200,000	£	03.11.2029		182	0.40
US Bancorp FRN	37,000	US$	22.07.2033		32	0.07
Zurich Finance FRN	200,000	£	23.11.2052		207	0.46
'BBB' credit rated bonds					**19,509**	**42.95**
AerCap Ireland Capital Via AerCap Global Aviation Trust 3.3%	200,000	US$	30.01.2032		151	0.33
Amgen 5.75%	78,000	US$	02.03.2063		74	0.16
Annington Funding 2.924%	100,000	£	06.10.2051		63	0.14
Aroundtown 3%	100,000	£	16.10.2029		72	0.16
Assicurazioni Generali FRN	100,000	€	27.10.2047		100	0.22

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Australia & New Zealand Banking Group FRN	200,000	£	16.09.2031		191	0.42
Aviva FRN	200,000	€	04.12.2045		188	0.41
Aviva FRN	200,000	£	04.06.2050		207	0.46
Banco Santander FRN	100,000	£	06.10.2026		106	0.23
Banco Santander FRN	200,000	£	04.10.2032		184	0.41
Bank of America FRN	300,000	US$	21.09.2036		208	0.46
Bank of America FRN	300,000	US$	08.03.2037		236	0.52
Banque Fédérative du Crédit Mutuel FRN	200,000	€	16.06.2032		191	0.42
Banque Fédérative du Crédit Mutuel 5.125%	100,000	€	13.01.2033		100	0.22
Bayerische Landesbank FRN	100,000	€	23.09.2031		83	0.18
BNP Paribas FRN	200,000	US$	13.01.2031		157	0.35
BNP Paribas FRN	200,000	US$	20.01.2033		153	0.34
BNP Paribas FRN	200,000	€	31.08.2033		159	0.35
BPCE FRN	250,000	US$	20.01.2032		177	0.39
British Telecommunications 6.375%	200,000	£	23.06.2037		236	0.52
Broadcom 3.469%	200,000	US$	15.04.2034		151	0.33
BUPA Finance 4.125%	200,000	£	14.06.2035		180	0.40
CaixaBank FRN	100,000	£	06.04.2028		102	0.22
CaixaBank FRN	100,000	€	26.05.2028		86	0.19
Capital One Financial 1.65%	200,000	€	12.06.2029		155	0.34
Celanese US Holdings 5.337%	100,000	€	19.01.2029		98	0.22
Celanese US Holdings 6.379%	47,000	US$	15.07.2032		44	0.10
Citigroup FRN	200,000	US$	25.01.2033		155	0.34
Citigroup FRN	162,000	US$	17.03.2033		134	0.29
Coöperatieve Rabobank FRN	100,000	€	30.11.2032		95	0.21
Coöperatieve Rabobank 4.625%	100,000	£	23.05.2029		104	0.23
Crédit Agricole FRN	100,000	£	09.12.2031		95	0.21
Crédit Agricole FRN	200,000	£	31.12.2099		200	0.44
Danske Bank FRN	200,000	£	14.01.2028		196	0.43
Deutsche Bahn Finance FRN	100,000	€	31.12.2099		93	0.20

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Deutsche Telekom International Finance 8.75%	268,000	US$	15.06.2030		300	0.66
Électricité de France 5.125%	50,000	£	22.09.2050		48	0.11
Électricité de France 6%	200,000	US$	22.01.2114		175	0.39
Électricité de France 6%	200,000	£	23.01.2114		209	0.46
Enel Finance International 3.5%	300,000	US$	06.04.2028		253	0.56
Engie 5.95%	200,000	€	16.03.2111		232	0.51
Fresenius Medical Care Finance III 3.75%	200,000	US$	15.06.2029		159	0.35
Gatwick Funding 2.5%	100,000	£	15.04.2032		95	0.21
Gatwick Funding 3.125%	200,000	£	28.09.2041		164	0.36
Gatwick Funding 3.25%	100,000	£	26.02.2048		77	0.17
General Motors 6.6%	200,000	US$	01.04.2036		188	0.41
Goldman Sachs Group FRN	46,000	US$	15.03.2028		42	0.09
Goldman Sachs Group FRN	150,000	£	29.10.2029		154	0.34
Hammerson 3.5%	100,000	£	27.10.2025		100	0.22
Hammerson 6%	48,000	£	23.02.2026		50	0.11
HCA 3.5%	200,000	US$	01.09.2030		163	0.36
Heathrow Funding 5.875%	200,000	£	13.05.2043		234	0.52
HP 4.2%	177,000	US$	15.04.2032		146	0.32
HSBC Holdings FRN	200,000	£	16.11.2034		240	0.53
Iberdrola International FRN	200,000	€	31.12.2099		180	0.40
ING Groep FRN	200,000	€	18.02.2029		162	0.36
ING Groep FRN	200,000	€	26.05.2031		183	0.40
ING Groep FRN	200,000	€	16.11.2032		164	0.36
InterContinental Hotels Group 3.375%	100,000	£	08.10.2028		102	0.22
Intesa Sanpaolo FRN	200,000	US$	21.11.2033		192	0.42
Intesa Sanpaolo 2.625%	100,000	£	11.03.2036		79	0.17
Italy (Republic of) 2.45%	600,000	€	01.09.2033		516	1.14
Italy (Republic of) 3.875%	300,000	US$	06.05.2051		197	0.43
Italy Buoni Poliennali Del Tesoro 2%	500,000	€	01.12.2025		483	1.06
JPMorgan Chase FRN	100,000	US$	14.09.2033		94	0.21

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
KBC Group FRN	200,000	€	07.12.2031		172	0.38
Koninklijke KPN 5.75%	100,000	£	17.09.2029		115	0.25
Kraft Heinz Foods 4.125%	200,000	£	01.07.2027		220	0.48
Lear 5.25%	200,000	US$	15.05.2049		161	0.35
Legal & General Group FRN	300,000	£	14.11.2048		321	0.71
Legal & General Group FRN	200,000	£	26.11.2049		191	0.42
Lloyds Banking Group FRN	200,000	£	02.06.2033		228	0.50
Lloyds Banking Group FRN	400,000	£	03.12.2035		351	0.77
Magallanes 5.141%	150,000	US$	15.03.2052		111	0.24
Magallanes 5.391%	100,000	US$	15.03.2062		74	0.16
Manchester Airport Group Funding 2.875%	100,000	£	30.09.2044		76	0.17
Manchester Airport Group Funding 4.75%	100,000	£	31.03.2034		109	0.24
Mondeléz International 3%	83,000	US$	17.03.2032		67	0.15
National Australia Bank FRN	250,000	US$	12.01.2037		185	0.41
National Gas Transmission 1.625%	100,000	£	14.01.2043		60	0.13
National Grid 0.25%	100,000	€	01.09.2028		83	0.18
NatWest Group FRN	100,000	£	29.03.2029		103	0.23
NatWest Group FRN	200,000	€	14.09.2029		161	0.35
Netflix 3.625%	200,000	€	15.06.2030		192	0.42
Next Group 3.625%	100,000	£	18.05.2028		105	0.23
NN Group FRN	100,000	€	01.03.2043		94	0.21
Oracle 5.55%	150,000	US$	06.02.2053		130	0.29
Orange FRN	200,000	€	31.12.2099		159	0.35
Ørsted 5.125%	100,000	£	13.09.2034		113	0.25
Pearson Funding 3.75%	100,000	£	04.06.2030		102	0.22
Prosus 1.288%	200,000	€	13.07.2029		153	0.34
Quadient 2.25%	100,000	€	03.02.2025		94	0.21
Raiffeisen Bank International FRN	100,000	€	20.12.2032		96	0.21
Romania (Republic of) 2.875%	200,000	€	13.04.2042		118	0.26
Sampo FRN	100,000	€	03.09.2052		77	0.17

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Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BBB' credit rated bonds (continued)						
Santander UK Group Holdings FRN	200,000	£	17.01.2029		195	0.43
Severn Trent Utilities Finance 4.625%	100,000	£	30.11.2034		107	0.24
Société Générale FRN	200,000	US$	19.01.2028		162	0.36
Société Générale FRN	400,000	US$	21.01.2033		294	0.65
Southern Water Services Finance 2.375%	100,000	£	28.05.2028		99	0.22
Spain (Kingdom of) 1.45%	500,000	€	31.10.2071		241	0.53
Spain (Kingdom of) 1.85%	200,000	€	30.07.2035		167	0.37
Spain (Kingdom of) 2.35%	1,000,000	€	30.07.2033		913	2.01
Standard Chartered 6.301%	300,000	US$	09.01.2029		279	0.61
Swedbank FRN	100,000	€	23.08.2032		93	0.20
Telefónica Emisiones 7.045%	300,000	US$	20.06.2036		304	0.67
Tesco Corporate Treasury Services 5.5%	100,000	£	27.02.2035		112	0.25
Thames Water Utilities Finance 4.375%	100,000	£	03.07.2034		103	0.23
Thames Water Utilities Finance 5.5%	200,000	£	11.02.2041		220	0.48
T-Mobile 3.375%	200,000	US$	15.04.2029		167	0.37
Verizon Communications 2.55%	100,000	US$	21.03.2031		78	0.17
Verizon Communications 4.329%	200,000	US$	21.09.2028		181	0.40
Vonovia 1.625%	100,000	€	01.09.2051		46	0.10
Wells Fargo FRN	300,000	€	04.05.2030		258	0.57
Wells Fargo 2.125%	300,000	£	24.09.2031		267	0.59
Welltower 4.8%	100,000	£	20.11.2028		108	0.24
Wessex Water Services Finance 5.125%	100,000	£	31.10.2032		111	0.24
WPC Eurobond 1.35%	200,000	€	15.04.2028		165	0.36
WPP Finance 3.75%	200,000	£	19.05.2032		198	0.44
Yorkshire Water Finance 5.5%	100,000	£	28.04.2035		115	0.25
'BB' credit rated bonds					**4,399**	**9.68**
AIB Group FRN	200,000	€	30.05.2031		181	0.40
AT&T FRN	100,000	€	31.12.2099		93	0.20
Banco de Sabadell FRN	200,000	€	16.06.2028		162	0.36
Banco Santander FRN	200,000	€	31.12.2099		149	0.33

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'BB' credit rated bonds (continued)						
Bank of Ireland Group FRN	100,000	€	11.08.2031		86	0.19
Barclays FRN	100,000	€	22.03.2031		86	0.19
Bath & Body Works 6.625%	100,000	US$	01.10.2030		89	0.20
Belden 3.375%	100,000	€	15.07.2027		92	0.20
BNP Paribas FRN	200,000	€	31.12.2099		190	0.42
Cellnex Finance 2%	100,000	€	15.02.2033		77	0.17
Cellnex Finance 3.875%	200,000	US$	07.07.2041		136	0.30
Centene 2.5%	200,000	US$	01.03.2031		148	0.32
Coventry Building Society FRN	200,000	£	31.12.2099		200	0.44
Daily Mail & General Trust 6.375%	50,000	£	21.06.2027		52	0.11
Grupo KUO 5.75%	200,000	US$	07.07.2027		167	0.37
Iliad 2.375%	200,000	€	17.06.2026		184	0.40
Jazz Securities 4.375%	200,000	US$	15.01.2029		168	0.37
KB Home 4.8%	200,000	US$	15.11.2029		168	0.37
La Banque Postale FRN	100,000	€	02.08.2032		81	0.18
Lloyds Banking Group FRN	200,000	£	29.12.2049		203	0.45
Macy's Retail Holdings 5.875%	78,000	US$	15.03.2030		63	0.14
Mahle 2.375%	200,000	€	14.05.2028		154	0.34
Millicom International Cellular 6.25%	180,000	US$	25.03.2029		151	0.33
Nationwide Building Society FRN	200,000	£	31.12.2099		184	0.40
NatWest Group FRN	200,000	£	28.11.2031		192	0.42
NatWest Group FRN	200,000	US$	28.11.2035		140	0.31
Pilgrim's Pride 3.5%	100,000	US$	01.03.2032		74	0.16
Solvay Finance FRN	100,000	€	29.12.2049		100	0.22
UBS Group FRN	200,000	US$	31.12.2099		127	0.28
UniCredit FRN	200,000	€	15.01.2032		171	0.38
Vmed O2 UK Financing I 3.25%	200,000	€	31.01.2031		163	0.36
Yum! Brands 4.625%	200,000	US$	31.01.2032		168	0.37
'B' credit rated bonds					**1,636**	**3.60**
Avantor Funding 3.875%	200,000	€	15.07.2028		187	0.41

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt securities (continued)						
'B' credit rated bonds (continued)						
Barclays FRN	200,000	£	31.12.2099		202	0.44
Cheplapharm Arzneimittel 4.375%	200,000	€	15.01.2028		187	0.41
CPUK Finance 4.5%	200,000	£	28.08.2027		193	0.43
Deuce FinCo 5.5%	100,000	£	15.06.2027		95	0.21
Sherwood Financing 6%	200,000	£	15.11.2026		190	0.42
Telecom Italia 5.25%	100,000	€	17.03.2055		82	0.18
Telecom Italia Finance 7.75%	150,000	€	24.01.2033		161	0.35
TI Automotive Finance 3.75%	100,000	€	15.04.2029		77	0.17
Vertical Midco 4.375%	200,000	€	15.07.2027		181	0.40
Vertiv Group Corp 4.125%	100,000	US$	15.11.2028		81	0.18
'CCC' credit rated bonds					**352**	**0.78**
Bausch Health 11%	61,000	US$	30.09.2028		40	0.09
Bausch Health 14%	12,000	US$	15.10.2030		6	0.01
CSC Holdings 5.75%	300,000	US$	15.01.2030		145	0.32
Sigma Holdco 5.75%	200,000	€	15.05.2026		161	0.36
Bonds with no credit rating						
1375209 BC 9%	34,000	US$	30.01.2028		**31**	**0.07**
Debt derivatives					**211**	**0.46**
Interest rate swaps					**130**	**0.28**
Pay Var. Receive 1.5343% Aug 2027	500,000	€			(31)	(0.07)
Pay Var. Receive 1.5368% Aug 2027	500,000	€			(30)	(0.07)
Pay Var. Receive 1.5533% Aug 2027	500,000	€			(30)	(0.07)
Pay Var. Receive 2.2663% Sep 2027	1,000,000	€			(28)	(0.06)
Pay Var. Receive 2.5888% Nov 2027	500,000	€			(12)	(0.03)
Pay Var. Receive 1.1208% Mar 2032	400,000	€			(60)	(0.13)
Pay Var. Receive 1.7378% May 2032	150,000	€			(14)	(0.03)
Pay Var. Receive 1.7623% May 2032	150,000	€			(14)	(0.03)
Pay Var. Receive 2.093% Jun 2032	600,000	€			(40)	(0.09)
Pay Var. Receive 2.6008% Jun 2032	500,000	€			(11)	(0.02)
Pay Var. Receive 2.1783% Jul 2032	300,000	€			(18)	(0.04)

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Fixed income (continued)						
Debt derivatives (continued)						
Interest rate swaps (continued)						
Pay 1.4257% Receive Var. Dec 2051	750,000	US$			216	0.47
Pay 1.7577% Receive Var. Mar 2052	250,000	US$			55	0.12
Pay 2.881% Receive Var. Nov 2052	169,492	£			15	0.03
Pay 2.907% Receive Var. Nov 2052	169,491	£			14	0.03
Pay 2.92% Receive Var. Nov 2052	322,034	£			26	0.06
Pay 2.925% Receive Var. Nov 2052	169,491	£			13	0.03
Pay 2.937% Receive Var. Nov 2052	169,492	£			13	0.03
Pay 2.799% Receive Var. Dec 2052	500,000	US$			23	0.05
Pay 2.266% Receive Var. Dec 2052	500,000	€			30	0.07
Pay 2.33% Receive Var. Dec 2052	500,000	€			23	0.05
Pay 3.363% Receive Var. Jan 2053	250,000	£			(4)	(0.01)
Pay 3.395% Receive Var. Jan 2053	250,000	£			(6)	(0.01)
Pay 3.0565% Receive Var. Jan 2053	250,000	US$			(0)	0.00
Interest rate futures					**81**	**0.18**
Deutscher Bund 10 year Futures	(1)	€	08.06.2023	1	5	0.01
Euro BTP Futures	9	€	08.06.2023	8	40	0.09
Euro OAT Futures	2	€	08.06.2023	2	8	0.02
US Treasury Notes 10 year Futures	15	US$	21.06.2023	14	46	0.10
US Ultra Bond Futures	10	US$	21.06.2023	9	(7)	(0.02)
UK Treasury Notes Futures	(11)	£	28.06.2023	13	(11)	(0.02)
Currency					**357**	**0.79**
Forward currency contracts					**357**	**0.79**
Bought for € 11,773,025.21, Sold for £ 10,297,018.74			26.04.2023		59	0.13
Bought for € 16,293,192.43, Sold for US$ 17,406,544.30			26.04.2023		300	0.66
Bought for £ 236,247.34, Sold for € 268,719.18			26.04.2023		0	0.00
Bought for US$ 696,128.20, Sold for € 642,265.68			26.04.2023		(2)	0.00
Portfolio of investments					**42,196**	**92.90**
Share class hedging					**(12)**	**(0.02)**
Bought for CHF 112,152.39, Sold for € 115,364.19			19.04.2023		(2)	0.00
Bought for € 2,700.95, Sold for CHF 2,671.24			19.04.2023		0	0.00

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of investments

Statement of investments (continued)

Investment description	Holdings/ contracts	Currency	Maturity date	Commitment value €'000	Market value €'000	% of net assets
Share class hedging (continued)						
Bought for € 14,518.34, Sold for US$ 15,656.80			19.04.2023		0	0.00
Bought for US$ 728,652.86, Sold for € 679,699.47			19.04.2023		(10)	(0.02)
Total portfolio					**42,184**	**92.88**
Net other assets/(liabilities)					3,239	7.12
Net assets					**45,423**	**100.00**

Portfolio summary		
Investment assets		
Debt securities	41,628	91.65
Swap contracts	428	0.94
Unrealised gains on futures contracts	99	0.22
Unrealised gains on forward currency contracts	359	0.79
Total Investment assets	**42,514**	**93.60**
Investment liabilities		
Swap contracts	(298)	(0.66)
Unrealised losses on futures contracts	(18)	(0.04)
Unrealised losses on forward currency contracts	(14)	(0.02)
Total Investment liabilities	**(330)**	**(0.72)**
Total portfolio	**42,184**	**92.88**
Net other assets/(liabilities)	**3,239**	**7.12**
Net assets	**45,423**	**100.00**

All securities are on an official stock exchange listing except where referenced.
Interest rates represent either the stated coupon rate or, for floating rate securities, the current reset rate which is based upon interest rates indices.
Maturity dates represent either the stated date on the security, or the next interest reset date for floating rate securities or the prerefunded date for those types of securities.
Variable and floating coupon rates are those quoted as of 31 March 2023.

The accompanying notes to the financial statements are an integral part of these financial statements.

M&G (Lux) Sustainable Optimal Income Bond Fund

Counterparty exposure

Counterparty exposure

Counterparty	Derivative exposures			
	Swaps €'000	Forward currency contracts €'000	Futures €'000	Collateral held as cash €'000
Bank of America Merrill Lynch	0	0	47	0
Barclays Bank London	9,418	0	0	850
BNP Paribas	0	200	0	0
HSBC Bank Plc	0	31,790	0	0
JP Morgan London	0	538	0	0
Merrill Lynch Pierce Fenner + Smith Inc	0	573	0	0
State Street Bank and Trust Company	0	1,612	0	0
State Street Bank and Trust Company, London Branch	0	24,522	0	0

Exposure represents the sub-fund's exposure to that counterparty.

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial highlights

Sub-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 sub-fund price to fall as well as rise and you may not get back the original amount you invested.

To give an indication of the performance of the sub-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.

Long-term performance by share class as at 31 March 2023

	One year 31.03.22 %	Three years 31.03.20 % pa	Five years 31.03.18 % pa	Since launch % pa	Launch date of the sub-fund share class
Euro					
Class 'A' Accumulation	-6.8	n/a	n/a	-9.3	14.12.21
Class 'A' Distribution	-6.8	n/a	n/a	-9.3	14.12.21
Class 'C' Accumulation	-6.3	n/a	n/a	-8.8	14.12.21
Class 'C' Distribution	-6.3	n/a	n/a	-8.8	14.12.21
Class 'CI' Accumulation	-6.3	n/a	n/a	-8.8	14.12.21
Class 'CI' Distribution	-6.3	n/a	n/a	-8.8	14.12.21
Class 'LI' Accumulation	-6.1	n/a	n/a	-8.6	14.12.21
Swiss franc					
Class 'A-H' Accumulation	-7.5	n/a	n/a	-9.9	14.12.21
Class 'A-H' Distribution	-7.5	n/a	n/a	-9.9	14.12.21
Class 'C-H' Accumulation	-7.0	n/a	n/a	-9.4	14.12.21
Class 'C-H' Distribution	-7.0	n/a	n/a	-9.4	14.12.21
Class 'CI-H' Accumulation	-7.0	n/a	n/a	-9.4	14.12.21
US dollar					
Class 'A-H' Accumulation	-4.0	n/a	n/a	-6.9	14.12.21
Class 'A-H' Distribution	-4.0	n/a	n/a	-7.0	14.12.21
Class 'A-H M' Distribution	-4.0	n/a	n/a	-7.0	14.12.21
Class 'C-H' Accumulation	-3.6	n/a	n/a	-6.5	14.12.21
Class 'C-H' Distribution	-3.5	n/a	n/a	-6.5	14.12.21
Class 'CI-H' Accumulation	-3.5	n/a	n/a	-6.4	14.12.21
Class 'CI-H' Distribution	-3.5	n/a	n/a	-6.5	14.12.21
Class 'LI-H' Accumulation	-3.2	n/a	n/a	-6.2	14.12.21

Financial highlights

Shares in issue, Net Asset Values (NAV) and Total Expense Ratios (TER)

The various classes of shares in issue have equivalent rights in the Fund, but carry different features and charging structures detailed in note 6 which are more fully described in the Fund's Prospectus.

The following table shows shares in issue at 31 March 2023, Net Asset Values (NAV) inclusive of any swing price adjustment as described in note 10 to the Financial Statements (also known as the price per share) at 31 March 2023 and Total Expense Ratio (TER) for the year ended to 31 March 2023.

Shares in issue, Net Asset Values and Total Expense Ratios

	Shares outstanding as at 31.03.23	NAV per share 31.03.23	31.03.22	31.03.21
Euro		**€**	**€**	**€**
Class 'A' Accumulation	1,000.000	8.8169	9.4343	n/a
Class 'A' Distribution	1,001.000	8.6337	9.4343	n/a
Class 'C' Accumulation	1,002.000	8.8744	9.4479	n/a
Class 'C' Distribution	1,003.000	8.6904	9.4482	n/a
Class 'CI' Accumulation	4,600.000	8.8778	9.4493	n/a
Class 'CI' Distribution	4,601.000	8.6946	9.4493	n/a
Class 'LI' Accumulation	5,001,004.000	8.9065	9.4562	n/a
Swiss franc		**CHF**	**CHF**	**CHF**
Class 'A-H' Accumulation	2,000.000	8.7430	9.4228	n/a
Class 'A-H' Distribution	2,001.000	8.5610	9.4228	n/a
Class 'C-H' Accumulation	2,002.000	8.7989	9.4365	n/a
Class 'C-H' Distribution	2,003.000	8.6163	9.4365	n/a
Class 'CI-H' Accumulation	4,600.000	8.8039	9.4384	n/a
US dollar		**US$**	**US$**	**US$**
Class 'A-H' Accumulation	8,430.084	9.1119	9.4658	n/a
Class 'A-H' Distribution	2,001.000	8.9234	9.4657	n/a
Class 'A-H M' Distribution	2,002.000	8.9240	9.4656	n/a
Class 'C-H' Accumulation	49,821.540	9.1646	9.4786	n/a
Class 'C-H' Distribution	2,004.000	8.9809	9.4787	n/a
Class 'CI-H' Accumulation	4,600.000	9.1760	9.4802	n/a
Class 'CI-H' Distribution	4,601.000	8.9858	9.4802	n/a
Class 'LI-H' Accumulation	4,602.000	9.2071	9.4871	n/a

M&G (Lux) Sustainable Optimal Income Bond Fund

Financial highlights

NAV at sub-fund level	31.03.23 €'000	31.03.22 €'000	31.03.21 €'000
Net assets	45,423	47,735	n/a
Swing pricing adjustment (see note 10)	n/a	n/a	n/a
Swing net assets	**45,423**	**47,735**	**n/a**

Total Expense Ratio 31.03.23	TER[a]
Euro	**%**
Class 'A' Accumulation	1.45
Class 'A' Distribution	1.46
Class 'C' Accumulation	0.96
Class 'C' Distribution	0.96
Class 'CI' Accumulation	0.92
Class 'CI' Distribution	0.92
Class 'LI' Accumulation	0.66
Swiss franc	**%**
Class 'A-H' Accumulation	1.47
Class 'A-H' Distribution	1.47
Class 'C-H' Accumulation	0.97
Class 'C-H' Distribution	0.97
Class 'CI-H' Accumulation	0.94
US dollar	**%**
Class 'A-H' Accumulation	1.49
Class 'A-H' Distribution	1.47
Class 'A-H M' Distribution	1.47
Class 'C-H' Accumulation	0.97
Class 'C-H' Distribution	0.97
Class 'CI-H' Accumulation	0.94
Class 'CI-H' Distribution	0.94
Class 'LI-H' Accumulation	0.69

[a] Includes charges from underlying investments. Please see the relevant Key Investor Information Document for a more reliable estimate of future charges (available from our website at mandg.lu).

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Absolute Return Bond Fund €'000	M&G (Lux) Asian Fund US$'000	M&G (Lux) Better Health Solutions Fund US$'000	M&G (Lux) Climate Solutions Fund US$'000
Assets					
Investment assets	2c	**20,121**	**55,839**	**12,361**	**11,092**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		407	0	0	0
Cash equivalents		1,488	730	0	0
Cash held as bank balances		243	23	249	364
Cash held on deposit		773	0	0	0
Total cash and bank balances		**2,911**	**753**	**249**	**364**
Other assets					
Amounts receivable on issues of shares		0	6	0	2
Debt security interest receivable	2c	166	3	0	0
Derivative income receivable	2d	1	0	0	0
Dividends receivable	2d	0	252	4	19
Other receivable	2d	0	0	0	0
Sales awaiting settlement	2c	0	0	0	0
Total other assets		**167**	**261**	**4**	**21**
Total assets		**23,199**	**56,853**	**12,614**	**11,477**
Liabilities					
Investment liabilities	2c	**(300)**	**0**	**0**	**0**
Cash and bank balances	2c				
Bank overdrafts	2c	0	(64)	0	0
Overdrawn positions at futures clearing houses and collateral manager	2c	(422)	0	0	0
Total overdraft		**(422)**	**(64)**	**0**	**0**
Other liabilities					
Administration charge payable	2d, 6	(1)	(3)	(1)	(1)
Amounts payable on cancellation of shares	2d, 6	(126)	(6)	0	0
Annual management charge payable	2d, 6	(4)	(36)	(1)	(1)
Audit fee payable	2d	(3)	(2)	0	0
Custody transaction charges payable	2d, 7	0	0	0	0
Depositary's charge payable	2d, 7	(1)	(2)	0	0
Other payable	2d	0	(96)	0	0
Purchases awaiting settlement	2d, 6	0	(171)	0	0
Safe custody charges payable	2d, 7	0	(5)	0	0
Taxe d'abonnement payable	2d, 9	(2)	(6)	0	0
Total other liabilities		**(137)**	**(327)**	**(2)**	**(2)**
Total liabilities		**(859)**	**(391)**	**(2)**	**(2)**
Net assets		**22,340**	**56,462**	**12,612**	**11,475**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Diversity and Inclusion Fund US$'000	M&G (Lux) Dynamic Allocation Fund €'000	M&G (Lux) Emerging Markets Bond Fund US$'000	M&G (Lux) Emerging Markets Hard Currency Bond Fund US$'000
Assets					
Investment assets	2c	**12,032**	**1,908,527**	**2,921,267**	**68,605**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		0	66,507	0	0
Cash equivalents		0	0	84,043	0
Cash held as bank balances		431	255,988	18,276	1,508
Cash held on deposit		0	195,610	3,443	0
Total cash and bank balances		**431**	**518,105**	**105,762**	**1,508**
Other assets					
Amounts receivable on issues of shares		0	833	59,216	149
Debt security interest receivable	2c	0	8,955	50,542	1,129
Derivative income receivable	2d	0	0	0	0
Dividends receivable	2d	29	2,035	0	0
Other receivable	2d	0	437	4	1
Sales awaiting settlement	2c	0	276	86	0
Total other assets		**29**	**12,536**	**109,848**	**1,279**
Total assets		**12,492**	**2,439,168**	**3,136,877**	**71,392**
Liabilities					
Investment liabilities	2c	**0**	**(19,358)**	**(5,298)**	**(151)**
Cash and bank balances	2c				
Bank overdrafts	2c	0	(3)	(7,546)	0
Overdrawn positions at futures clearing houses and collateral manager	2c	0	(285)	0	0
Total overdraft		**0**	**(288)**	**(7,546)**	**0**
Other liabilities					
Administration charge payable	2d, 6	(1)	(87)	(99)	(3)
Amounts payable on cancellation of shares	2d, 6	0	(3,396)	(5,271)	0
Annual management charge payable	2d, 6	0	(937)	(443)	(13)
Audit fee payable	2d	0	(13)	(16)	(4)
Custody transaction charges payable	2d, 7	0	(296)	(238)	0
Depositary's charge payable	2d, 7	(1)	(54)	(30)	(3)
Other payable	2d	0	(182)	(11)	0
Purchases awaiting settlement	2d, 6	0	(178,356)	(59,610)	(200)
Safe custody charges payable	2d, 7	0	(35)	(62)	(1)
Taxe d'abonnement payable	2d, 9	0	(237)	(149)	(7)
Total other liabilities		**(2)**	**(183,593)**	**(65,929)**	**(231)**
Total liabilities		**(2)**	**(203,239)**	**(78,773)**	**(382)**
Net assets		**12,490**	**2,235,929**	**3,058,104**	**71,010**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Episode Macro Fund US$'000	M&G (Lux) Euro Corporate Bond Fund €'000	M&G (Lux) European Inflation Linked Corporate Bond Fund €'000	M&G (Lux) European Strategic Value Fund €'000
Assets					
Investment assets	2c	**416,012**	**165,119**	**118,399**	**1,410,617**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		8,202	734	908	0
Cash equivalents		0	6,765	1,629	44,361
Cash held as bank balances		10,275	870	542	5,513
Cash held on deposit		2,765	1,050	2,577	0
Total cash and bank balances		**21,242**	**9,419**	**5,656**	**49,874**
Other assets					
Amounts receivable on issues of shares		1,356	87	193	6,494
Debt security interest receivable	2c	0	1,368	514	0
Derivative income receivable	2d	0	0	21	0
Dividends receivable	2d	0	0	0	4,642
Other receivable	2d	0	1	0	2
Sales awaiting settlement	2c	0	0	9,755	0
Total other assets		**1,356**	**1,456**	**10,483**	**11,138**
Total assets		**438,610**	**175,994**	**134,538**	**1,471,629**
Liabilities					
Investment liabilities	2c	**(2,450)**	**(852)**	**(394)**	**0**
Cash and bank balances	2c				
Bank overdrafts	2c	0	0	0	0
Overdrawn positions at futures clearing houses and collateral manager	2c	0	0	(664)	0
Total overdraft		**0**	**0**	**(664)**	**0**
Other liabilities					
Administration charge payable	2d, 6	(19)	(8)	(6)	(56)
Amounts payable on cancellation of shares	2d, 6	(258)	(1,733)	(234)	(15,716)
Annual management charge payable	2d, 6	(203)	(16)	(15)	(397)
Audit fee payable	2d	(16)	(6)	(3)	(11)
Custody transaction charges payable	2d, 7	(80)	(64)	0	(95)
Depositary's charge payable	2d, 7	(14)	(8)	(5)	(39)
Other payable	2d	(1)	0	0	0
Performance fee payable	2f	(1,903)	0	0	0
Purchases awaiting settlement	2d, 6	0	(619)	(8,493)	0

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Episode Macro Fund US$'000	M&G (Lux) Euro Corporate Bond Fund €'000	M&G (Lux) European Inflation Linked Corporate Bond Fund €'000	M&G (Lux) European Strategic Value Fund €'000
Safe custody charges payable	2d, 7	(1)	(2)	(1)	(11)
Taxe d'abonnement payable	2d, 9	(29)	(20)	(15)	(95)
Total other liabilities		**(2,524)**	**(2,476)**	**(8,772)**	**(16,420)**
Total liabilities		**(4,974)**	**(3,328)**	**(9,830)**	**(16,420)**
Net assets		**433,636**	**172,666**	**124,708**	**1,455,209**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Global Convertibles Fund US$'000	M&G (Lux) Global Corporate Bond Fund US$'000	M&G (Lux) Global Dividend Fund US$'000	M&G (Lux) Global Emerging Markets Fund US$'000
Assets					
Investment assets	2c	**232,736**	**227,751**	**3,243,188**	**114,730**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		0	1,858	0	0
Cash equivalents		4,891	6,141	138,802	2,142
Cash held as bank balances		465	617	15,068	4
Cash held on deposit		0	4,912	0	0
Total cash and bank balances		**5,356**	**13,528**	**153,870**	**2,146**
Other assets					
Amounts receivable on issues of shares		56	219	7,697	8
Debt security interest receivable	2c	800	2,198	274	12
Derivative income receivable	2d	0	2	0	0
Dividends receivable	2d	168	0	11,662	732
Other receivable	2d	0	16	0	0
Sales awaiting settlement	2c	0	0	4,040	0
Total other assets		**1,024**	**2,435**	**23,673**	**752**
Total assets		**239,116**	**243,714**	**3,420,731**	**117,628**
Liabilities					
Investment liabilities	2c	**(453)**	**(2,897)**	**0**	**(20)**
Cash and bank balances	2c				
Bank overdrafts	2c	0	0	(10,357)	(400)
Overdrawn positions at futures clearing houses and collateral manager	2c	0	(543)	0	0
Total overdraft		**0**	**(543)**	**(10,357)**	**(400)**
Other liabilities					
Administration charge payable	2d, 6	(11)	(11)	(109)	(5)
Amounts payable on cancellation of shares	2d, 6	(150)	(20)	(6,666)	(266)
Annual management charge payable	2d, 6	(82)	(25)	(1,304)	(40)
Audit fee payable	2d	(14)	(17)	(13)	(3)
Custody transaction charges payable	2d, 7	(59)	(87)	(143)	0
Depositary's charge payable	2d, 7	(10)	(8)	(67)	(4)
Other payable	2d	0	0	0	(10)
Performance fee payable	2f	0	0	0	0
Purchases awaiting settlement	2d, 6	0	(1,011)	(10,102)	(78)

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Global Convertibles Fund US$'000	M&G (Lux) Global Corporate Bond Fund US$'000	M&G (Lux) Global Dividend Fund US$'000	M&G (Lux) Global Emerging Markets Fund US$'000
Safe custody charges payable	2d, 7	(2)	(1)	(22)	(9)
Taxe d'abonnement payable	2d, 9	(28)	(12)	(344)	(12)
Total other liabilities		**(356)**	**(1,192)**	**(18,770)**	**(427)**
Total liabilities		**(809)**	**(4,632)**	**(29,127)**	**(847)**
Net assets		**238,307**	**239,082**	**3,391,604**	**116,781**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Global Enhanced Equity Premia Fund US$'000	M&G (Lux) Global Floating Rate High Yield Fund US$'000	M&G (Lux) Global High Yield Bond Fund US$'000	M&G (Lux) Global Listed Infrastructure Fund US$'000
Assets					
Investment assets	2c	**3,800**	**1,808,744**	**61,581**	**3,189,068**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		0	0	160	0
Cash equivalents		26	72,187	4,544	12,547
Cash held as bank balances		12	6,058	448	31,864
Cash held on deposit		0	35,849	0	0
Total cash and bank balances		**38**	**114,094**	**5,152**	**44,411**
Other assets					
Amounts receivable on issues of shares		0	2,319	8	7,053
Debt security interest receivable	2c	0	17,545	997	53
Derivative income receivable	2d	0	314	1	0
Dividends receivable	2d	10	0	0	8,340
Other receivable	2d	0	1	0	0
Sales awaiting settlement	2c	0	18,707	0	0
Total other assets		**10**	**38,886**	**1,006**	**15,446**
Total assets		**3,848**	**1,961,724**	**67,739**	**3,248,925**
Liabilities					
Investment liabilities	2c	**0**	**(30,476)**	**(669)**	**0**
Cash and bank balances	2c				
Bank overdrafts	2c	0	0	0	0
Overdrawn positions at futures clearing houses and collateral manager	2c	0	(2,836)	(23)	0
Total overdraft		**0**	**(2,836)**	**(23)**	**0**
Other liabilities					
Administration charge payable	2d, 6	0	(75)	(3)	(104)
Amounts payable on cancellation of shares	2d, 6	0	(13,516)	(8)	(18,722)
Annual management charge payable	2d, 6	0	(424)	(16)	(1,136)
Audit fee payable	2d	0	(37)	(2)	(8)
Custody transaction charges payable	2d, 7	0	(201)	0	(197)
Depositary's charge payable	2d, 7	0	(29)	(3)	(43)
Other payable	2d	0	(2)	0	(78)
Purchases awaiting settlement	2d, 6	0	0	0	(2,711)
Safe custody charges payable	2d, 7	(1)	(19)	(1)	(22)
Taxe d'abonnement payable	2d, 9	0	(206)	(8)	(292)
Total other liabilities		**(1)**	**(14,509)**	**(41)**	**(23,313)**
Total liabilities		**(1)**	**(47,821)**	**(733)**	**(23,313)**
Net assets		**3,847**	**1,913,903**	**67,006**	**3,225,612**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Global Macro Bond Fund US$'000	M&G (Lux) Global Maxima Fund US$'000	M&G (Lux) Global Sustain Paris Aligned Fund US$'000	M&G (Lux) Global Target Return Fund €'000
Assets					
Investment assets	2c	**643,606**	**198,956**	**253,173**	**22,911**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		257	0	0	995
Cash equivalents		13,710	0	10,575	0
Cash held as bank balances		2,586	7,240	872	28,718
Cash held on deposit		14,526	0	0	28,640
Total cash and bank balances		**31,079**	**7,240**	**11,447**	**58,353**
Other assets					
Amounts receivable on issues of shares		383	1,234	346	107
Debt security interest receivable	2c	5,804	0	32	153
Derivative income receivable	2d	0	0	0	3
Dividends receivable	2d	0	346	233	43
Other receivable	2d	0	0	0	0
Sales awaiting settlement	2c	0	9,367	199	0
Total other assets		**6,187**	**10,947**	**810**	**306**
Total assets		**680,872**	**217,143**	**265,430**	**81,570**
Liabilities					
Investment liabilities	2c	**(3,716)**	**0**	**0**	**(236)**
Cash and bank balances	2c				
Bank overdrafts	2c	(3,472)	0	0	0
Overdrawn positions at futures clearing houses and collateral manager	2c	(1,538)	0	0	0
Total overdraft		**(5,010)**	**0**	**0**	**0**
Other liabilities					
Administration charge payable	2d, 6	(30)	(9)	(12)	(3)
Amounts payable on cancellation of shares	2d, 6	(771)	(3,825)	(239)	(396)
Annual management charge payable	2d, 6	(212)	(11)	(85)	(11)
Audit fee payable	2d	(33)	0	(3)	(3)
Custody transaction charges payable	2d, 7	(209)	0	(11)	0
Depositary's charge payable	2d, 7	(12)	(6)	(8)	(2)
Other payable	2d	(1)	(18)	(92)	0
Purchases awaiting settlement	2d, 6	(2,469)	(10,004)	0	(18,342)
Safe custody charges payable	2d, 7	(10)	(8)	(3)	(1)
Taxe d'abonnement payable	2d, 9	(64)	(7)	(28)	(4)
Total other liabilities		**(3,811)**	**(13,888)**	**(481)**	**(18,762)**
Total liabilities		**(12,537)**	**(13,888)**	**(481)**	**(18,998)**
Net assets		**668,335**	**203,255**	**264,949**	**62,572**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Global Themes Fund US$'000	M&G (Lux) Income Allocation Fund €'000	M&G (Lux) Japan Fund ¥'000	M&G (Lux) Japan Smaller Companies Fund ¥'000
Assets					
Investment assets	2c	**639,689**	**1,089,833**	**13,366,041**	**6,935,853**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		0	0	0	0
Cash equivalents		1,387	0	0	0
Cash held as bank balances		5,976	23,514	265,251	212,202
Cash held on deposit		0	25,513	0	7,220
Total cash and bank balances		**7,363**	**49,027**	**265,251**	**219,422**
Other assets					
Amounts receivable on issues of shares		1,107	876	201,623	497,481
Debt security interest receivable	2c	13	5,117	0	0
Derivative income receivable	2d	0	0	0	0
Dividends receivable	2d	892	1,799	118,343	56,411
Other receivable	2d	0	0	0	0
Sales awaiting settlement	2c	1,280	0	89,515	5,785
Total other assets		**3,292**	**7,792**	**409,481**	**559,677**
Total assets		**650,344**	**1,146,652**	**14,040,773**	**7,714,952**
Liabilities					
Investment liabilities	2c	**0**	**(11,185)**	**(377)**	**(936)**
Cash and bank balances	2c				
Bank overdrafts	2c	0	0	0	0
Overdrawn positions at futures clearing houses and collateral manager	2c	0	0	0	0
Total overdraft		**0**	**0**	**0**	**0**
Other liabilities					
Administration charge payable	2d, 6	(28)	(64)	(582)	(291)
Amounts payable on cancellation of shares	2d, 6	(1,027)	(2,356)	(5,482)	(3,489)
Annual management charge payable	2d, 6	(263)	(466)	(3,124)	(2,408)
Audit fee payable	2d	(8)	(14)	(236)	(236)
Custody transaction charges payable	2d, 7	(90)	(148)	0	0
Depositary's charge payable	2d, 7	(23)	(19)	(410)	(180)
Other payable	2d	0	(247)	0	0
Purchases awaiting settlement	2d, 6	(1,622)	(14,778)	(408,992)	(598,737)
Safe custody charges payable	2d, 7	(5)	(16)	(98)	(48)
Taxe d'abonnement payable	2d, 9	(62)	(135)	(1,047)	(851)
Total other liabilities		**(3,128)**	**(18,243)**	**(419,971)**	**(606,240)**
Total liabilities		**(3,128)**	**(29,428)**	**(420,348)**	**(607,176)**
Net assets		**647,216**	**1,117,224**	**13,620,425**	**7,107,776**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Multi Asset 2023 Fund €'000	M&G (Lux) North American Dividend Fund US$'000	M&G (Lux) North American Value Fund US$'000	M&G (Lux) Optimal Income Fund €'000
Assets					
Investment assets	2c	**114,678**	**371,597**	**64,521**	**8,989,376**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		0	0	0	71,267
Cash equivalents		0	5,214	1,520	447,312
Cash held as bank balances		1,154	731	107	43,155
Cash held on deposit		0	0	0	343,077
Total cash and bank balances		**1,154**	**5,945**	**1,627**	**904,811**
Other assets					
Amounts receivable on issues of shares		0	292	7	9,692
Debt security interest receivable	2c	0	14	7	105,973
Derivative income receivable	2d	0	0	0	2,450
Dividends receivable	2d	0	276	61	1,408
Other receivable	2d	0	0	0	8
Sales awaiting settlement	2c	0	0	0	16,344
Total other assets		**0**	**582**	**75**	**135,875**
Total assets		**115,832**	**378,124**	**66,223**	**10,030,062**
Liabilities					
Investment liabilities	2c	**0**	**(17)**	**(14)**	**(148,081)**
Cash and bank balances	2c				
Bank overdrafts	2c	0	0	0	(529)
Overdrawn positions at futures clearing houses and collateral manager	2c	0	0	0	(171,336)
Total overdraft		**0**	**0**	**0**	**(171,865)**
Other liabilities					
Administration charge payable	2d, 6	0	(17)	(3)	(86)
Amounts payable on cancellation of shares	2d, 6	(57)	(297)	(10)	(22,409)
Annual management charge payable	2d, 6	(19)	(133)	(25)	(3,211)
Audit fee payable	2d	0	(15)	(2)	(16)
Custody transaction charges payable	2d, 7	0	(63)	0	(329)
Depositary's charge payable	2d, 7	0	(13)	(3)	(95)
Other payable	2d	0	0	0	(5)
Purchases awaiting settlement	2d, 6	0	(561)	0	(154,843)
Safe custody charges payable	2d, 7	0	(1)	0	(57)
Taxe d'abonnement payable	2d, 9	0	(41)	(7)	(1,109)
Total other liabilities		**(76)**	**(1,141)**	**(50)**	**(182,160)**
Total liabilities		**(76)**	**(1,158)**	**(64)**	**(502,106)**
Net assets		**115,756**	**376,966**	**66,159**	**9,527,956**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Pan European Sustain Paris Aligned Fund €'000	M&G (Lux) Positive Impact Fund US$'000	M&G (Lux) Short Dated Corporate Bond Fund €'000	M&G (Lux) Sustainable Allocation Fund €'000
Assets					
Investment assets	2c	**133,429**	**258,532**	**411,617**	**516,683**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		0	0	0	183
Cash equivalents		4,313	0	6,280	0
Cash held as bank balances		221	5,077	1,350	12,830
Cash held on deposit		0	0	2,883	1,430
Total cash and bank balances		**4,534**	**5,077**	**10,513**	**14,443**
Other assets					
Amounts receivable on issues of shares		1	153	1,038	128
Debt security interest receivable	2c	0	0	3,599	1,432
Derivative income receivable	2d	0	0	27	0
Dividends receivable	2d	458	514	0	572
Other receivable	2d	1	0	0	39
Sales awaiting settlement	2c	0	0	0	0
Total other assets		**460**	**667**	**4,664**	**2,171**
Total assets		**138,423**	**264,276**	**426,794**	**533,297**
Liabilities					
Investment liabilities	2c	**0**	**0**	**(703)**	**(1,233)**
Cash and bank balances	2c				
Bank overdrafts	2c	0	0	(249)	(21)
Overdrawn positions at futures clearing houses and collateral manager	2c	0	0	(787)	0
Total overdraft		**0**	**0**	**(1,036)**	**(21)**
Other liabilities					
Administration charge payable	2d, 6	(6)	(11)	(19)	(24)
Amounts payable on cancellation of shares	2d, 6	(31)	(4)	(469)	(1,215)
Annual management charge payable	2d, 6	(55)	(46)	(17)	(206)
Audit fee payable	2d	(2)	(16)	(13)	(10)
Custody transaction charges payable	2d, 7	0	(74)	(21)	(210)
Depositary's charge payable	2d, 7	(5)	(5)	(13)	(8)
Other payable	2d	0	0	0	0
Purchases awaiting settlement	2d, 6	0	0	(1,340)	0
Safe custody charges payable	2d, 7	(1)	(6)	(3)	(8)
Taxe d'abonnement payable	2d, 9	(16)	(15)	(23)	(61)
Total other liabilities		**(116)**	**(177)**	**(1,918)**	**(1,742)**
Total liabilities		**(116)**	**(177)**	**(3,657)**	**(2,996)**
Net assets		**138,307**	**264,099**	**423,137**	**530,301**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund US$'000	M&G (Lux) Sustainable Global High Yield Bond Fund US$'000	M&G (Lux) Sustainable Macro Flexible Credit Fund €'000	M&G (Lux) Sustainable Multi Asset Growth Fund €'000
Assets					
Investment assets	2c	**33,498**	**104,207**	**116,643**	**166,877**
Cash and bank balances	2c				
Amounts held at futures clearing houses and collateral manager		48	335	3,670	100
Cash equivalents		0	0	8,224	0
Cash held as bank balances		233	6,979	2,090	3,917
Cash held on deposit		0	440	260	290
Total cash and bank balances		**281**	**7,754**	**14,244**	**4,307**
Other assets					
Amounts receivable on issues of shares		6	13	280	0
Debt security interest receivable	2c	498	1,638	1,476	210
Derivative income receivable	2d	0	0	0	0
Dividends receivable	2d	0	0	0	317
Other receivable	2d	0	0	0	0
Sales awaiting settlement	2c	0	111	0	0
Total other assets		**504**	**1,762**	**1,756**	**527**
Total assets		**34,283**	**113,723**	**132,643**	**171,711**
Liabilities					
Investment liabilities	2c	**(47)**	**(1,204)**	**(1,782)**	**(656)**
Cash and bank balances	2c				
Bank overdrafts	2c	0	0	0	(57)
Overdrawn positions at futures clearing houses and collateral manager	2c	0	(25)	0	0
Total overdraft		**0**	**(25)**	**0**	**(57)**
Other liabilities					
Administration charge payable	2d, 6	(2)	(5)	0	(8)
Amounts payable on cancellation of shares	2d, 6	(1)	(11)	(185)	(200)
Annual management charge payable	2d, 6	(5)	(13)	(14)	(18)
Audit fee payable	2d	0	(4)	0	0
Custody transaction charges payable	2d, 7	0	0	0	0
Depositary's charge payable	2d, 7	(1)	(5)	0	(6)
Other payable	2d	0	0	0	0
Purchases awaiting settlement	2d, 6	(343)	(109)	0	0

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund US$'000	M&G (Lux) Sustainable Global High Yield Bond Fund US$'000	M&G (Lux) Sustainable Macro Flexible Credit Fund €'000	M&G (Lux) Sustainable Multi Asset Growth Fund €'000
Safe custody charges payable	2d, 7	0	0	0	(3)
Taxe d'abonnement payable	2d, 9	(2)	(9)	0	(4)
Total other liabilities		**(354)**	**(156)**	**(199)**	**(239)**
Total liabilities		**(401)**	**(1,385)**	**(1,981)**	**(952)**
Net assets		**33,882**	**112,338**	**130,662**	**170,759**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Sustainable Optimal Income Bond Fund €'000	Combined total €'000
Assets			
Investment assets	2c	**42,514**	**29,117,101**
Cash and bank balances	2c		
Amounts held at futures clearing houses and collateral manager		363	155,124
Cash equivalents		0	850,126
Cash held as bank balances		2,609	492,225
Cash held on deposit		850	659,978
Total cash and bank balances		**3,822**	**2,157,453**
Other assets			
Amounts receivable on issues of shares		0	99,646
Debt security interest receivable	2c	510	204,501
Derivative income receivable	2d	0	2,794
Dividends receivable	2d	0	34,133
Other receivable	2d	0	508
Sales awaiting settlement	2c	0	58,117
Total other assets		**510**	**399,699**
Total assets		**46,846**	**31,674,253**
Liabilities			
Investment liabilities	2c	**(330)**	**(228,734)**
Cash and bank balances	2c		
Bank overdrafts	2c	0	(20,949)
Overdrawn positions at futures clearing houses and collateral manager	2c	(350)	(178,411)
Total overdraft		**(350)**	**(199,360)**
Other liabilities			
Administration charge payable	2d, 6	(2)	(893)
Amounts payable on cancellation of shares	2d, 6	0	(95,563)
Annual management charge payable	2d, 6	(8)	(9,587)
Audit fee payable	2d	0	(293)
Custody transaction charges payable	2d, 7	0	(2,499)
Depositary's charge payable	2d, 7	(1)	(527)
Other payable	2d	0	(718)
Performance fee payable	2f	0	(1,751)
Purchases awaiting settlement	2d, 6	(730)	(466,319)

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of net assets

as at 31 March 2023	Notes	M&G (Lux) Sustainable Optimal Income Bond Fund €'000	Combined total €'000
Safe custody charges payable	2d, 7	(1)	(305)
Taxe d'abonnement payable	2d, 9	(1)	(2,957)
Total other liabilities		**(743)**	**(581,413)**
Total liabilities		**(1,423)**	**(1,009,507)**
Net assets		**45,423**	**30,664,746**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Absolute Return Bond Fund €'000	M&G (Lux) Asian Fund US$'000	M&G (Lux) Better Health Solutions Fund US$'000	M&G (Lux) Climate Solutions Fund US$'000
Opening net assets		**27,839**	**60,718**	**0**	**12,917**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	(12)	0	0	0
Bank interest	2d	(8)	0	0	2
Deposit interest	2d	0	20	0	0
Derivative Income	2d	42	0	0	0
Dividends	2d	0	2,279	23	196
Interest on debt securities	2d	475	0	0	0
Withholding tax on dividends and other investment income	2d	0	(121)	(5)	(25)
Total income		**497**	**2,178**	**18**	**173**
Expenses					
Administration charge	2d, 6	(38)	(78)	(2)	(17)
Annual management charge	2d, 6	(140)	(672)	(3)	(17)
Audit fee	2d	0	0	0	0
Custody transaction charges	2d, 7	0	0	0	0
Depositary's charge	2d, 7	(1)	(2)	0	0
Performance fee	2f	0	0	0	0
Professional fees		(1)	(8)	0	0
Safe custody charge	2d, 7	(1)	(21)	0	(1)
Share class hedging charge	2d, 6	(1)	0	0	0
Taxe d'abonnement charge	2d, 9	(10)	(23)	0	(2)
Total expenses		**(192)**	**(804)**	**(5)**	**(37)**
Net income for the year		**305**	**1,374**	**13**	**136**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	(75)	1,058	3	318
Currency and forward currency contracts	2c	228	(482)	(1)	(50)
Futures contracts	2c, 4	1,381	(5)	0	0
Swap contracts	2c	(169)	0	0	0
Options contracts	2c	0	0	0	0
CSDR penalty amount		0	0	0	0

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Absolute Return Bond Fund €'000	M&G (Lux) Asian Fund US$'000	M&G (Lux) Better Health Solutions Fund US$'000	M&G (Lux) Climate Solutions Fund US$'000
Net realised gain		**1,365**	**571**	**2**	**268**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	(2,100)	(3,587)	222	(1,459)
Currency and forward currency contracts	2c	(145)	(181)	0	(1)
Futures contracts	2c	(594)	0	0	0
Swap contracts	2c	299	0	0	0
Options contracts	2c	0	0	0	0
Net change in unrealised (loss)/gain		**(2,540)**	**(3,768)**	**222**	**(1,460)**
Change in net asset assets from investment activities		**(870)**	**(1,823)**	**237**	**(1,056)**
Net share issues and redemptions		(4,554)	(2,433)	12,375	(385)
Distributions	3, 13	(75)	0	0	(1)
Foreign currency translation					
Net assets		**22,340**	**56,462**	**12,612**	**11,475**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Conservative Allocation Fund €'000	M&G (Lux) Diversity and Inclusion Fund US$'000	M&G (Lux) Dynamic Allocation Fund €'000	M&G (Lux) Emerging Markets Bond Fund US$'000
Opening net assets		**663,993**	**12,844**	**2,394,240**	**3,072,997**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	(119)	0	4,364	4,587
Bank interest	2d	(572)	2	(265)	177
Deposit interest	2d	41	0	2,811	1,460
Derivative Income	2d	67	0	123	0
Dividends	2d	2,513	201	21,391	0
Interest on debt securities	2d	5,253	0	33,870	179,102
Withholding tax on dividends and other investment income	2d	(272)	(27)	(2,518)	(1,019)
Total income		**6,911**	**176**	**59,776**	**184,307**
Expenses					
Administration charge	2d, 6	(470)	(17)	(2,808)	(3,131)
Annual management charge	2d, 6	(3,548)	(2)	(31,407)	(18,440)
Audit fee	2d	(14)	0	(21)	(15)
Custody transaction charges	2d, 7	(70)	0	(142)	(156)
Depositary's charge	2d, 7	(7)	0	(74)	(59)
Performance fee	2f	0	0	0	0
Professional fees		(7)	(9)	(11)	(7)
Safe custody charge	2d, 7	(11)	(1)	(142)	(305)
Share class hedging charge	2d, 6	(1)	0	(12)	(65)
Taxe d'abonnement charge	2d, 9	(123)	(1)	(886)	(537)
Total expenses		**(4,251)**	**(30)**	**(35,503)**	**(22,715)**
Net income for the year		**2,660**	**146**	**24,273**	**161,592**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	(21,841)	(113)	18,749	(82,679)
Currency and forward currency contracts	2c	6,829	(26)	(16,918)	(23,076)
Futures contracts	2c, 4	(16,304)	(2)	34,166	(31)
Swap contracts	2c	(32,709)	0	43	0
Options contracts	2c	0	0	0	0
CSDR penalty amount		0	0	11	3

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Conservative Allocation Fund €'000	M&G (Lux) Diversity and Inclusion Fund US$'000	M&G (Lux) Dynamic Allocation Fund €'000	M&G (Lux) Emerging Markets Bond Fund US$'000
Net realised (loss)/gain		**(64,025)**	**(141)**	**36,051**	**(105,783)**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	(11,946)	(427)	(92,504)	(150,098)
Currency and forward currency contracts	2c	4,321	1	33,745	(8,523)
Futures contracts	2c	(4,918)	0	2,968	0
Swap contracts	2c	(60)	0	113	0
Options contracts	2c	0	0	0	0
Net change in unrealised loss		**(12,603)**	**(426)**	**(55,678)**	**(158,621)**
Change in net asset assets from investment activities		**(73,968)**	**(421)**	**4,646**	**(102,812)**
Net share issues and redemptions		(589,020)	67	(159,946)	98,561
Distributions	3, 13	(1,005)	0	(3,011)	(10,642)
Foreign currency translation					
Net assets		**0**	**12,490**	**2,235,929**	**3,058,104**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Emerging Markets Hard Currency Bond Fund US$'000	M&G (Lux) Emerging Markets Income Opportunities Fund US$'000	M&G (Lux) Episode Macro Fund US$'000	M&G (Lux) Euro Corporate Bond Fund €'000
Opening net assets		**158,011**	**18,828**	**342,703**	**320,040**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	573	3	8,299	(134)
Bank interest	2d	9	0	189	1
Deposit interest	2d	0	0	0	0
Derivative Income	2d	0	0	0	28
Dividends	2d	0	116	272	0
Interest on debt securities	2d	5,887	17	0	3,757
Withholding tax on dividends and other investment income	2d	0	(18)	(52)	(3)
Total income		**6,469**	**118**	**8,708**	**3,649**
Expenses					
Administration charge	2d, 6	(146)	(2)	(548)	(316)
Annual management charge	2d, 6	(577)	(13)	(5,559)	(609)
Audit fee	2d	0	0	(22)	(13)
Custody transaction charges	2d, 7	0	0	(39)	0
Depositary's charge	2d, 7	(3)	0	(15)	(6)
Performance fee	2f	0	0	(1,903)	0
Professional fees		0	0	(1)	(1)
Safe custody charge	2d, 7	(3)	(2)	(3)	(8)
Share class hedging charge	2d, 6	(4)	0	(60)	(1)
Taxe d'abonnement charge	2d, 9	(29)	0	(111)	(86)
Total expenses		**(762)**	**(17)**	**(8,261)**	**(1,040)**
Net income for the year		**5,707**	**101**	**447**	**2,609**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	(24,904)	80	292	(19,030)
Currency and forward currency contracts	2c	(2,016)	(749)	(17,179)	482
Futures contracts	2c, 4	(33)	0	43,649	(798)
Swap contracts	2c	0	(1,045)	0	(158)

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Emerging Markets Hard Currency Bond Fund US$'000	M&G (Lux) Emerging Markets Income Opportunities Fund US$'000	M&G (Lux) Episode Macro Fund US$'000	M&G (Lux) Euro Corporate Bond Fund €'000
Options contracts	2c	0	0	0	0
CSDR penalty amount		1	0	0	0
Net realised (loss)/gain		**(26,952)**	**(1,714)**	**26,762**	**(19,504)**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	3,270	690	(3,824)	(7,806)
Currency and forward currency contracts	2c	(485)	26	6,706	(424)
Futures contracts	2c	0	0	(1,192)	273
Swap contracts	2c	0	0	0	(263)
Options contracts	2c	0	0	0	0
Net change in unrealised gain/(loss)		**2,785**	**716**	**1,690**	**(8,220)**
Change in net asset assets from investment activities		**(18,460)**	**(897)**	**28,899**	**(25,115)**
Net share issues and redemptions		(66,740)	(17,924)	62,034	(121,606)
Distributions	3, 13	(1,801)	(7)	0	(653)
Foreign currency translation					
Net assets		**71,010**	**0**	**433,636**	**172,666**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) European Inflation Linked Corporate Bond Fund €'000	M&G (Lux) European Strategic Value Fund €'000	M&G (Lux) Global Convertibles Fund US$'000	M&G (Lux) Global Corporate Bond Fund US$'000
Opening net assets		**150,645**	**1,224,353**	**376,940**	**271,452**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	(4,063)	0	(419)	(1,154)
Bank interest	2d	(6)	19	(2)	91
Deposit interest	2d	0	0	151	234
Derivative Income	2d	860	0	0	286
Dividends	2d	0	50,483	0	0
Interest on debt securities	2d	2,249	0	1,990	7,021
Withholding tax on dividends and other investment income	2d	(30)	(3,146)	(8)	5
Total income		**(990)**	**47,356**	**1,712**	**6,483**
Expenses					
Administration charge	2d, 6	(218)	(1,817)	(421)	(335)
Annual management charge	2d, 6	(566)	(11,925)	(3,093)	(713)
Audit fee	2d	0	(16)	(22)	(13)
Custody transaction charges	2d, 7	0	(38)	(18)	(46)
Depositary's charge	2d, 7	(6)	(49)	(9)	(8)
Performance fee	2f	0	0	0	0
Professional fees		0	(3)	(1)	0
Safe custody charge	2d, 7	(6)	(42)	(10)	(4)
Share class hedging charge	2d, 6	0	0	(25)	(39)
Taxe d'abonnement charge	2d, 9	(71)	(347)	(126)	(42)
Total expenses		**(867)**	**(14,237)**	**(3,725)**	**(1,200)**
Net (expense)/income for the year		**(1,857)**	**33,119**	**(2,013)**	**5,283**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	4,789	27,841	(7,645)	(22,335)
Currency and forward currency contracts	2c	591	1,359	(15,405)	(27,304)
Futures contracts	2c, 4	3,722	0	(2)	1,834
Swap contracts	2c	(218)	0	0	101

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) European Inflation Linked Corporate Bond Fund €'000	M&G (Lux) European Strategic Value Fund €'000	M&G (Lux) Global Convertibles Fund US$'000	M&G (Lux) Global Corporate Bond Fund US$'000
Options contracts	2c	0	0	0	0
CSDR penalty amount		0	7	1	1
Net realised gain/(loss)		**8,884**	**29,207**	**(23,051)**	**(47,703)**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	(4,265)	19,182	(15,442)	8,468
Currency and forward currency contracts	2c	(775)	(3,233)	1,722	5,885
Futures contracts	2c	(1,292)	0	0	(979)
Swap contracts	2c	(65)	0	0	227
Options contracts	2c	0	0	0	0
Net change in unrealised (loss)/gain		**(6,397)**	**15,949**	**(13,720)**	**13,601**
Change in net asset assets from investment activities		**630**	**78,275**	**(38,784)**	**(28,819)**
Net share issues and redemptions		(26,567)	153,121	(99,748)	1,111
Distributions	3, 13	0	(540)	(101)	(4,662)
Foreign currency translation					
Net assets		**124,708**	**1,455,209**	**238,307**	**239,082**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Global Dividend Fund US$'000	M&G (Lux) Global Emerging Markets Fund US$'000	M&G (Lux) Global Enhanced Equity Premia Fund US$'000	M&G (Lux) Global Floating Rate High Yield Fund US$'000
Opening net assets		**2,898,315**	**126,962**	**4,121**	**2,684,116**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	0	0	0	2,306
Bank interest	2d	75	(8)	0	481
Deposit interest	2d	2,628	60	1	3,294
Derivative Income	2d	0	0	0	13,387
Dividends	2d	103,249	4,820	116	0
Interest on debt securities	2d	0	5	0	107,657
Withholding tax on dividends and other investment income	2d	(19,070)	(604)	(22)	0
Total income		**86,882**	**4,273**	**95**	**127,125**
Expenses					
Administration charge	2d, 6	(3,355)	(171)	(6)	(2,845)
Annual management charge	2d, 6	(40,401)	(1,303)	(2)	(16,019)
Audit fee	2d	(18)	0	0	(17)
Custody transaction charges	2d, 7	(56)	0	0	(84)
Depositary's charge	2d, 7	(96)	(4)	0	(48)
Performance fee	2f	0	0	0	0
Professional fees		(15)	(8)	(3)	(5)
Safe custody charge	2d, 7	(86)	(44)	(2)	(85)
Share class hedging charge	2d, 6	0	(1)	0	(246)
Taxe d'abonnement charge	2d, 9	(1,242)	(45)	0	(887)
Total expenses		**(45,269)**	**(1,576)**	**(13)**	**(20,236)**
Net income for the year		**41,613**	**2,697**	**82**	**106,889**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	48,586	4,150	(35)	(32,293)
Currency and forward currency contracts	2c	(22,956)	(1,889)	(46)	(43,101)
Futures contracts	2c, 4	(2)	(8)	(3)	(120)
Swap contracts	2c	0	0	0	(11,925)

The accompanying notes to the financial statements are an integral part of these financial statements.

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Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Global Dividend Fund US$'000	M&G (Lux) Global Emerging Markets Fund US$'000	M&G (Lux) Global Enhanced Equity Premia Fund US$'000	M&G (Lux) Global Floating Rate High Yield Fund US$'000
Options contracts	2c	0	0	0	0
CSDR penalty amount		3	0	0	13
Net realised gain/(loss)		**25,631**	**2,253**	**(84)**	**(87,426)**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	(183,315)	(8,484)	(236)	(43,369)
Currency and forward currency contracts	2c	(14,105)	(1,112)	(8)	5,120
Futures contracts	2c	0	0	0	0
Swap contracts	2c	0	0	0	(4,437)
Options contracts	2c	0	0	0	0
Net change in unrealised loss		**(197,420)**	**(9,596)**	**(244)**	**(42,686)**
Change in net asset assets from investment activities		**(130,176)**	**(4,646)**	**(246)**	**(23,223)**
Net share issues and redemptions		632,331	(5,431)	(20)	(722,896)
Distributions	3, 13	(8,866)	(104)	(8)	(24,094)
Foreign currency translation					
Net assets		**3,391,604**	**116,781**	**3,847**	**1,913,903**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Global High Yield Bond Fund US$'000	M&G (Lux) Global Listed Infrastructure Fund US$'000	M&G (Lux) Global Macro Bond Fund US$'000	M&G (Lux) Global Maxima Fund US$'000
Opening net assets		**76,642**	**2,234,791**	**806,118**	**94,100**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	(9)	0	(2,138)	0
Bank interest	2d	11	(28)	394	12
Deposit interest	2d	130	364	227	0
Derivative Income	2d	18	0	948	0
Dividends	2d	0	111,127	0	2,600
Interest on debt securities	2d	3,446	21	19,738	0
Withholding tax on dividends and other investment income	2d	(2)	(15,851)	(123)	(363)
Total income		**3,594**	**95,633**	**19,046**	**2,249**
Expenses					
Administration charge	2d, 6	(98)	(3,452)	(993)	(207)
Annual management charge	2d, 6	(511)	(35,621)	(7,126)	(314)
Audit fee	2d	0	(13)	(17)	0
Custody transaction charges	2d, 7	0	(76)	(61)	0
Depositary's charge	2d, 7	(2)	(77)	(12)	(6)
Performance fee	2f	0	0	0	0
Professional fees		0	(6)	(2)	(3)
Safe custody charge	2d, 7	(1)	(100)	(37)	(18)
Share class hedging charge	2d, 6	(9)	0	(11)	0
Taxe d'abonnement charge	2d, 9	(31)	(1,078)	(257)	(21)
Total expenses		**(652)**	**(40,423)**	**(8,516)**	**(569)**
Net income for the year		**2,942**	**55,210**	**10,530**	**1,680**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	(1,713)	12,145	(48,570)	(3,854)
Currency and forward currency contracts	2c	(2,986)	(40,937)	(52,439)	(1,191)
Futures contracts	2c, 4	(156)	(2)	(7,297)	(107)
Swap contracts	2c	21	0	5,025	0

The accompanying notes to the financial statements are an integral part of these financial statements.

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Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Global High Yield Bond Fund US$'000	M&G (Lux) Global Listed Infrastructure Fund US$'000	M&G (Lux) Global Macro Bond Fund US$'000	M&G (Lux) Global Maxima Fund US$'000
Options contracts	2c	0	0	0	0
CSDR penalty amount		0	14	1	1
Net realised loss		**(4,834)**	**(28,780)**	**(103,280)**	**(5,151)**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	(5,377)	(292,660)	11,276	2,982
Currency and forward currency contracts	2c	977	(220)	7,338	(2)
Futures contracts	2c	59	0	4,269	(52)
Swap contracts	2c	(15)	0	(3,247)	0
Options contracts	2c	0	0	0	0
Net change in unrealised (loss)/gain		**(4,356)**	**(292,880)**	**19,636**	**2,928**
Change in net asset assets from investment activities		**(6,248)**	**(266,450)**	**(73,114)**	**(543)**
Net share issues and redemptions		(2,339)	1,270,423	(62,443)	109,716
Distributions	3, 13	(1,049)	(13,152)	(2,226)	(18)
Foreign currency translation					
Net assets		**67,006**	**3,225,612**	**668,335**	**203,255**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Global Sustain Paris Aligned Fund US$'000	M&G (Lux) Global Target Return Fund €'000	M&G (Lux) Global Themes Fund US$'000	M&G (Lux) Income Allocation Fund €'000
Opening net assets		**183,423**	**61,857**	**728,882**	**1,239,091**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	0	0	0	(298)
Bank interest	2d	3	5	(2)	(20)
Deposit interest	2d	205	251	55	311
Derivative Income	2d	0	157	0	0
Dividends	2d	3,362	254	15,944	21,429
Interest on debt securities	2d	0	661	0	23,194
Withholding tax on dividends and other investment income	2d	(608)	(12)	(2,928)	(2,841)
Total income		**2,962**	**1,316**	**13,069**	**41,775**
Expenses					
Administration charge	2d, 6	(331)	(84)	(1,004)	(1,733)
Annual management charge	2d, 6	(2,505)	(315)	(9,118)	(15,776)
Audit fee	2d	(3)	0	(18)	(11)
Custody transaction charges	2d, 7	(11)	0	(40)	(3,601)
Depositary's charge	2d, 7	(10)	(2)	(25)	(26)
Performance fee	2f	0	0	0	0
Professional fees		(7)	(1)	(7)	(13)
Safe custody charge	2d, 7	(10)	(2)	(21)	(72)
Share class hedging charge	2d, 6	0	0	0	(77)
Taxe d'abonnement charge	2d, 9	(101)	(13)	(237)	(536)
Total expenses		**(2,978)**	**(417)**	**(10,470)**	**(21,845)**
Net (expense)/income for the year		**(16)**	**899**	**2,599**	**19,930**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	2,903	(131)	35,730	(63,016)
Currency and forward currency contracts	2c	(472)	38	(10,319)	16,637
Futures contracts	2c, 4	(3)	1,561	(2)	(5)
Swap contracts	2c	0	232	0	0
Options contracts	2c	0	32	0	0
CSDR penalty amount		0	0	1	0

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Global Sustain Paris Aligned Fund US$'000	M&G (Lux) Global Target Return Fund €'000	M&G (Lux) Global Themes Fund US$'000	M&G (Lux) Income Allocation Fund €'000
Net realised gain/(loss)		**2,428**	**1,732**	**25,410**	**(46,384)**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	(6,561)	(914)	(85,649)	(61,794)
Currency and forward currency contracts	2c	(56)	726	(318)	(2,282)
Futures contracts	2c	0	(40)	0	0
Swap contracts	2c	0	(71)	0	0
Options contracts	2c	0	(1)	0	0
Net change in unrealised loss		**(6,617)**	**(300)**	**(85,967)**	**(64,076)**
Change in net asset assets from investment activities		**(4,205)**	**2,331**	**(57,958)**	**(90,530)**
Net share issues and redemptions		85,739	(1,616)	(23,644)	25,243
Distributions	3, 13	(8)	0	(64)	(56,580)
Foreign currency translation					
Net assets		**264,949**	**62,572**	**647,216**	**1,117,224**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Japan Fund ¥'000	M&G (Lux) Japan Smaller Companies Fund ¥'000	M&G (Lux) Multi Asset 2023 Fund €'000	M&G (Lux) North American Dividend Fund US$'000
Opening net assets		**9,928,227**	**4,183,347**	**130,212**	**378,299**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	0	0	0	0
Bank interest	2d	(439)	(284)	(9)	1
Deposit interest	2d	0	0	0	90
Derivative Income	2d	0	0	0	0
Dividends	2d	285,580	133,350	2,506	7,032
Interest on debt securities	2d	1	0	0	0
Withholding tax on dividends and other investment income	2d	(43,737)	(20,422)	0	(1,845)
Total income		**241,405**	**112,644**	**2,497**	**5,278**
Expenses					
Administration charge	2d, 6	(15,744)	(6,883)	0	(530)
Annual management charge	2d, 6	(88,044)	(62,102)	(768)	(4,308)
Audit fee	2d	0	0	0	(7)
Custody transaction charges	2d, 7	0	0	0	(35)
Depositary's charge	2d, 7	(460)	(193)	0	(14)
Performance fee	2f	0	0	0	0
Professional fees		(21)	(9)	0	(1)
Safe custody charge	2d, 7	(364)	(166)	0	(3)
Share class hedging charge	2d, 6	(55)	(43)	0	(4)
Taxe d'abonnement charge	2d, 9	(3,728)	(2,399)	0	(151)
Total expenses		**(108,416)**	**(71,795)**	**(768)**	**(5,053)**
Net income for the year		**132,989**	**40,849**	**1,729**	**225**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	817,016	434,418	929	(10,043)
Currency and forward currency contracts	2c	(22,625)	12,516	0	(1,764)
Futures contracts	2c, 4	0	0	0	0
Swap contracts	2c	0	0	0	0

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Japan Fund ¥'000	M&G (Lux) Japan Smaller Companies Fund ¥'000	M&G (Lux) Multi Asset 2023 Fund €'000	M&G (Lux) North American Dividend Fund US$'000
Options contracts	2c	0	0	0	0
CSDR penalty amount		0	0	0	0
Net realised gain/(loss)		**794,391**	**446,934**	**929**	**(11,807)**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	292,477	347,692	(6,693)	(25,740)
Currency and forward currency contracts	2c	12,339	9,429	0	398
Futures contracts	2c	0	0	0	0
Swap contracts	2c	0	0	0	0
Options contracts	2c	0	0	0	0
Net change in unrealised gain/(loss)		**304,816**	**357,121**	**(6,693)**	**(25,342)**
Change in net asset assets from investment activities		**1,232,196**	**844,904**	**(4,035)**	**(36,924)**
Net share issues and redemptions		2,460,476	2,079,734	(7,938)	35,982
Distributions	3, 13	(474)	(209)	(2,483)	(391)
Foreign currency translation					
Net assets		**13,620,425**	**7,107,776**	**115,756**	**376,966**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) North American Value Fund US$'000	M&G (Lux) Optimal Income Fund €'000	M&G (Lux) Pan European Sustain Paris Aligned Fund €'000	M&G (Lux) Positive Impact Fund US$'000
Opening net assets		**91,101**	**11,991,172**	**115,637**	**265,634**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	0	13,148	0	0
Bank interest	2d	2	(4,696)	3	54
Deposit interest	2d	60	0	0	0
Derivative Income	2d	0	83,395	0	0
Dividends	2d	1,734	10,769	2,643	4,323
Interest on debt securities	2d	0	319,504	0	0
Withholding tax on dividends and other investment income	2d	(490)	(1,908)	(273)	(624)
Total income		**1,306**	**420,212**	**2,373**	**3,753**
Expenses					
Administration charge	2d, 6	(109)	(3,007)	(169)	(400)
Annual management charge	2d, 6	(921)	(112,362)	(1,595)	(2,262)
Audit fee	2d	0	(18)	0	(13)
Custody transaction charges	2d, 7	0	(246)	0	(39)
Depositary's charge	2d, 7	(3)	(248)	(5)	(4)
Performance fee	2f	0	0	0	0
Professional fees		0	(24)	0	(7)
Safe custody charge	2d, 7	(1)	(199)	(4)	(16)
Share class hedging charge	2d, 6	(2)	(251)	0	0
Taxe d'abonnement charge	2d, 9	(29)	(4,494)	(53)	(75)
Total expenses		**(1,065)**	**(120,849)**	**(1,826)**	**(2,816)**
Net income for the year		**241**	**299,363**	**547**	**937**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	1,901	(665,597)	2,478	9,851
Currency and forward currency contracts	2c	(621)	134,536	115	(2,472)
Futures contracts	2c, 4	0	330,353	0	(2)
Swap contracts	2c	0	16,988	0	0

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) North American Value Fund US$'000	M&G (Lux) Optimal Income Fund €'000	M&G (Lux) Pan European Sustain Paris Aligned Fund €'000	M&G (Lux) Positive Impact Fund US$'000
Options contracts	2c	0	0	0	0
CSDR penalty amount		0	20	0	0
Net realised gain/(loss)		**1,280**	**(183,700)**	**2,593**	**7,377**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	(8,602)	(666,457)	5,834	(17,747)
Currency and forward currency contracts	2c	154	(42,273)	(63)	(91)
Futures contracts	2c	0	34,143	0	0
Swap contracts	2c	0	(662)	0	0
Options contracts	2c	0	0	0	0
Net change in unrealised (loss)/gain		**(8,448)**	**(675,249)**	**5,771**	**(17,838)**
Change in net asset assets from investment activities		**(6,927)**	**(559,586)**	**8,911**	**(9,524)**
Net share issues and redemptions		(18,015)	(1,865,122)	13,759	8,099
Distributions	3, 13	0	(38,508)	0	(110)
Foreign currency translation					
Net assets		**66,159**	**9,527,956**	**138,307**	**264,099**

The accompanying notes to the financial statements are an integral part of these financial statements.

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Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Short Dated Corporate Bond Fund €'000	M&G (Lux) Sustainable Allocation Fund €'000	M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund US$'000	M&G (Lux) Sustainable Global High Yield Bond Fund US$'000
Opening net assets		**323,988**	**72,459**	**37,006**	**119,493**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	(1,885)	2,695	147	253
Bank interest	2d	(10)	25	10	62
Deposit interest	2d	0	0	0	0
Derivative Income	2d	639	0	0	0
Dividends	2d	0	3,250	0	0
Interest on debt securities	2d	9,013	3,470	1,678	5,755
Withholding tax on dividends and other investment income	2d	(97)	(422)	0	0
Total income		**7,660**	**9,018**	**1,835**	**6,070**
Expenses					
Administration charge	2d, 6	(524)	(399)	(51)	(185)
Annual management charge	2d, 6	(456)	(3,289)	(162)	(429)
Audit fee	2d	(10)	0	0	0
Custody transaction charges	2d, 7	(21)	0	0	0
Depositary's charge	2d, 7	(15)	5	(1)	(5)
Performance fee	2f	0	0	0	0
Professional fees		(1)	(8)	(1)	0
Safe custody charge	2d, 7	(13)	(17)	(1)	(3)
Share class hedging charge	2d, 6	(5)	(1)	(2)	(7)
Taxe d'abonnement charge	2d, 9	(77)	(120)	(6)	(37)
Total expenses		**(1,122)**	**(3,829)**	**(224)**	**(666)**
Net income for the year		**6,538**	**5,189**	**1,611**	**5,404**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	(1,625)	1,259	(1,463)	(7,624)
Currency and forward currency contracts	2c	5,805	9,828	(1,030)	(1,586)
Futures contracts	2c, 4	6	404	121	309
Swap contracts	2c	(117)	0	0	0

The accompanying notes to the financial statements are an integral part of these financial statements.

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Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Short Dated Corporate Bond Fund €'000	M&G (Lux) Sustainable Allocation Fund €'000	M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund US$'000	M&G (Lux) Sustainable Global High Yield Bond Fund US$'000
Options contracts	2c	0	0	0	0
CSDR penalty amount		0	2	0	0
Net realised gain/(loss)		**4,069**	**11,493**	**(2,372)**	**(8,901)**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	(10,209)	8,722	(1,153)	(4,735)
Currency and forward currency contracts	2c	(3,507)	(283)	77	625
Futures contracts	2c	(36)	1,084	(121)	(133)
Swap contracts	2c	(5)	0	0	0
Options contracts	2c	0	0	0	0
Net change in unrealised (loss)/gain		**(13,757)**	**9,523**	**(1,197)**	**(4,243)**
Change in net asset assets from investment activities		**(3,150)**	**26,205**	**(1,958)**	**(7,740)**
Net share issues and redemptions		102,374	432,099	(1,022)	874
Distributions	3, 13	(75)	(462)	(144)	(289)
Foreign currency translation					
Net assets		**423,137**	**530,301**	**33,882**	**112,338**

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Sustainable Macro Flexible Credit Fund €'000	M&G (Lux) Sustainable Multi Asset Growth Fund €'000	M&G (Lux) Sustainable Optimal Income Bond Fund €'000	Combined total €'000
Opening net assets		**15,682**	**181,843**	**47,735**	**32,635,137**
Income					
Accretion of market discount/ (Amortisation of market premium)	2d	989	129	(21)	26,244
Bank interest	2d	6	(4)	(16)	(4,140)
Deposit interest	2d	0	0	0	11,674
Derivative Income	2d	148	0	0	98,926
Dividends	2d	0	4,539	0	359,450
Interest on debt securities	2d	2,379	648	1,453	711,631
Withholding tax on dividends and other investment income	2d	(1)	(515)	(1)	(52,774)
Total income		**3,521**	**4,797**	**1,415**	**1,151,011**
Expenses					
Administration charge	2d, 6	0	(251)	(68)	(29,016)
Annual management charge	2d, 6	(514)	(586)	(229)	(323,193)
Audit fee	2d	0	0	0	(267)
Custody transaction charges	2d, 7	0	0	0	(4,726)
Depositary's charge	2d, 7	0	(7)	(2)	(818)
Performance fee	2f	0	0	0	(1,751)
Professional fees		(3)	(9)	(1)	(167)
Safe custody charge	2d, 7	0	(11)	(2)	(1,249)
Share class hedging charge	2d, 6	0	0	0	(787)
Taxe d'abonnement charge	2d, 9	0	(16)	(5)	(11,541)
Total expenses		**(517)**	**(880)**	**(307)**	**(373,515)**
Net income for the year		**3,004**	**3,917**	**1,108**	**777,496**
Realised gains/(losses) on sales of investments					
Investments excluding derivatives	2c, 4	9	(8,127)	(3,133)	(834,030)
Currency and forward currency contracts	2c	893	(826)	411	(88,530)
Futures contracts	2c, 4	4,975	73	1,299	395,917
Swap contracts	2c	(1,185)	0	618	(23,872)
Options contracts	2c	0	0	0	32
CSDR penalty amount		1	0	0	77

The accompanying notes to the financial statements are an integral part of these financial statements.

Financial statements

Statement of operations and changes in net assets

for the year to 31 March 2023	Notes	M&G (Lux) Sustainable Macro Flexible Credit Fund €'000	M&G (Lux) Sustainable Multi Asset Growth Fund €'000	M&G (Lux) Sustainable Optimal Income Bond Fund €'000	Combined total €'000
Net realised gain/(loss)		**4,693**	**(8,880)**	**(805)**	**(550,406)**
Change in unrealised gains/(losses)					
Investments excluding derivatives	2c	(3,150)	(9,062)	(2,364)	(1,606,076)
Currency and forward currency contracts	2c	25	1,045	(375)	(9,735)
Futures contracts	2c	(1,436)	215	44	32,114
Swap contracts	2c	(104)	0	(383)	(8,075)
Options contracts	2c	0	0	0	(1)
Net change in unrealised loss		**(4,665)**	**(7,802)**	**(3,078)**	**(1,591,773)**
Change in net asset assets from investment activities		**3,032**	**(12,765)**	**(2,775)**	**(1,364,683)**
Net share issues and redemptions		111,992	1,681	467	(713,678)
Distributions	3, 13	(44)	0	(4)	(165,757)
Foreign currency translation					273,727
Net assets		**130,662**	**170,759**	**45,423**	**30,664,746**

The accompanying notes to the financial statements are an integral part of these financial statements.

Notes to the financial statements

1 Basis of preparation

These financial statements have been prepared and presented in accordance with generally accepted accounting principles in Luxembourg and with the legal and regulatory requirements relating to the preparation and presentation of the financial statements as prescribed by the Luxembourg authorities for Luxembourg investment funds including the following significant accounting policies.

The financial statements have been prepared under a going concern assumption as deemed appropriate by the Management Company.

As indicated in Notes 14, M&G (Lux) Conservative Allocation Fund merged into M&G (Lux) Sustainable Allocation Fund on 21 October 2022 and M&G (Lux) Emerging Markets Income Opportunities Fund merged into M&G (Lux) Income Allocation Fund on 6 May 2022. As indicated in Note 15, M&G (Lux) Global Enhanced Equity Premia Fund will be liquidated on 27 July 2023. As such, the financial statements for M&G (Lux) Conservative Allocation Fund, M&G (Lux) Emerging Markets Income Opportunities Fund and M&G (Lux) Global Enhanced Equity Premia Fund have been prepared on a non-going concern basis. The application of the non-going concern basis of accounting has not led to material adjustments to the sub-fund's published net asset values.

2 Summary of significant accounting policies

a) Base currency

The combined financial statements of the Fund are expressed in euros, at the exchange rate at 31 March 2023, the base currency of M&G (Lux) Investment Funds 1. The financial statements of each sub-fund are expressed in the sub-funds' base currency.

b) Exchange rates

Transactions in currencies other than each sub-fund's base currency are translated at the rate of exchange ruling on the date of the transaction. Assets and liabilities are translated into each sub-fund's base currency at the rate of exchange ruling at the sub-fund's valuation point on 31 March 2023 being the last business day of the accounting year:

1 Euro € = 1.624644942 Australian dollar (AU$)

1 Euro € = 8.533178392 Hong Kong dollar (HK$)

1 Euro € = 1.446048085 Singapore dollar (SG$)

1 Euro € = 19.356281681 South African rand (ZAR)

1 Euro € = 11.266021756 Swedish krona (SEK)

1 Euro € = 0.997368252 Swiss franc (CHF)

1 Euro € = 0.878388470 UK sterling (£)

1 Euro € = 1.087049866 US dollar (US$)

1 Japanese yen ¥ = 0.006899839 Euro (€)

1 Japanese yen ¥ = 0.006881680 Swiss franc (CHF)

1 Japanese yen ¥ = 0.006060739 UK sterling (£)

1 Japanese yen ¥ = 0.007500469 US dollar (US$)

1 US dollar $ = 1.494545000 Australian dollar (AU$)

1 US dollar $ = 0.919921000 Euro (€)

Notes to the financial statements

1 US dollar $ = 7.849850000 Hong Kong dollar (HK$)

1 US dollar $ = 133.325000000 Japanese yen (¥)

1 US dollar $ = 10.457200000 Norwegian krone (NOK)

1 US dollar $ = 1.330250000 Singapore dollar (SG$)

1 US dollar $ = 17.806250000 South African rand (ZAR)

1 US dollar $ = 10.363850000 Swedish krona (SEK)

1 US dollar $ = 0.917500000 Swiss franc (CHF)

1 US dollar $ = 0.808048000 UK sterling (£)

c) Investments – recognition and valuation

All investments are initially recognised at the transaction price net of direct transaction costs (excluding accrued interest).

Realised gains and losses on sales of investments are determined on the basis of the average cost method where applicable. Investment cost is adjusted by the amortisation of premiums and accretion of discounts on a straight line basis. It includes the net amount received, excluding any interest treated as income, from derivative instruments.

Unrealised gains or losses on investments are determined by reference to the opening and closing valuation of investments and includes surpluses or deficits arising from unsettled derivative contracts.

At the end of the reporting year all investments have been valued using the prices and the portfolio holdings determined on 31 March 2023, at the last valuation point of the accounting year.

The methods of determining value for the principal classes of investment are:

- Equities and debt securities which are traded on an active market are included at the mid price (the mid point between the quoted bid and offer prices), excluding any accrued interest in respect of bonds.
- Collective investment schemes are included at either the mid of their cancellation and creation prices for dual priced sub-funds or their single price for single priced sub-funds.
- Other equities and debt securities which are unquoted or not actively traded on a quoted market are included at a value estimated by the Administrator and under policies and procedures approved and overseen by the Board of Directors using an appropriate valuation technique, excluding any accrued interest in respect of bonds.
- Exchange traded futures and options are included at either their single price or, if separate buying and selling prices are quoted, the average of the two prices.
- 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 value excludes any accrued interest in respect of derivatives where the interest is income 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.
- Cash and amounts held in current, deposit, and margin accounts and in other time-related deposits shall be valued at their nominal value.

Notes to the financial statements

d) Recognition of income and expenses

- Dividends and any withholding tax, including ordinary stock dividends and special dividends, from equity investments are recognised when the security is quoted ex-dividend.
- Distributions from collective investment schemes, including any equalisation, are recognised when the scheme is priced ex-distribution.
- Interest income from debt securities is recognised daily on an accruals basis and includes the amortisation of premiums and accretion of discounts on a straight line basis.
- Income from derivatives is recognised on an accruals basis.
- Fixed deposit, money market deposit and bank interest are recognised daily on an accruals basis.
- Underwriting commission is recognised when the issue takes place.
- Fee rebates from investing in other collective investment schemes are recognised on an accruals basis.
- Expenses are recognised on an accruals basis.
- Luxembourg subscription tax (*taxe d'abonnement*) is recognised daily on an accruals basis.

e) Allocation of returns to share classes

The annual management charge, *taxe d'abonnement*, any share class hedging returns and associated share class hedging charges are directly attributable to individual share classes. All other returns are apportioned to each sub-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.

The Fund operates income equalisation arrangements with a view to ensuring that the level of income accrued within a sub-fund is not affected by the issue, conversion or redemption of sub-fund shares during an accounting year.

The Directors operate a policy of 'swing pricing' where a swing price adjustment may be added to the net asset value per share to determine the price at which shares may be issued or redeemed. The swing price adjustment protects existing shareholders from the dilutive effect of direct and indirect portfolio dealing costs incurred when investments are bought or sold in response to net flows of money into or out of the sub-funds from investors buying and selling shares in the sub-funds.

f) Performance fee

In respect of certain sub-funds and certain share classes, the Management Company is entitled to receive from the net assets of each sub-fund or share class an annual performance fee which, if applicable, will be calculated and accrued each Valuation Day and payable to the Investment Manager annually in arrears at the end of an annual accounting period.

The performance fee is calculated based on a percentage of the increase in the Net Asset Value per share of each relevant share class above both its High Water Mark and Hurdle as described in the Prospectus (Appendix 2) for M&G (Lux) Investment Funds 1.

The rate at which the performance fee shall be applied (the 'Performance Fee Rate') for each share class and the Hurdle are set out in the 'Performance Fees' section of the relevant Fund Supplement in the Prospectus for M&G (Lux) Investment Funds 1.

Notes to the financial statements

Sub-fund	Amount of performance fee in sub-fund's currency	Percentage of average TNA
M&G (Lux) Episode Macro Fund		
Euro		
Class 'T-H' Accumulation	993,968	2.10%
Class 'TI-H' Accumulation	73,395	1.38%
Japanese yen		
Class 'TI-H' Accumulation	17	0.07%
Sterling		
Class 'T-H' Accumulation	25,695	2.06%
Class 'TI-H' Accumulation	351,212	2.14%
Swiss Franc		
Class 'T-H' Accumulation	91,614	1.89%
US dollar		
Class 'T' Accumulation	194,972	1.99%
Class 'TI' Accumulation	172,598	2.04%

3 Distribution policy

Distribution shares may pay distributions to Shareholders, whereas Accumulation shares will instead accumulate all earnings pertaining to the relevant share class for the benefit of the Accumulation Shareholders. Distribution payments are made in the relevant share class currency.

The Directors will exercise their discretion to determine whether or not to declare a distribution in respect of Distribution shares. Distributions may be paid out of investment income, capital gains or capital at the discretion of the Directors. Distributions and their frequency are disclosed in note 13 of this report.

Unless detailed below, the distribution policy for all sub-funds and distribution share classes is to distribute all investment income gross of expenses.

The following distribution share classes distribute an amount or fixed percentage of the Net Asset Value per Share. Where the amount of investment income earned is not sufficient to meet this fixed amount or fixed percentage, a fixed Distribution Share Class may be required to make a payment out of capital. The Directors will periodically review fixed Distribution Share Classes policies and reserve the right to make changes to the distribution rate in cases where maintaining it may adversely impact the respective sub-funds or the Shareholders.

M&G (Lux) Dynamic Allocation Fund US dollar A-H M F

M&G (Lux) Emerging Markets Bond Fund South African rand A-H M F1

M&G (Lux) Emerging Markets Bond Fund South African rand X-H M F1

M&G (Lux) Emerging Markets Bond Fund US dollar A M F

M&G (Lux) Emerging Markets Bond Fund US dollar X M F

Notes to the financial statements

M&G (Lux) Global Listed Infrastructure Fund US dollar A M F

M&G (Lux) Income Allocation Fund South African rand A-H F1

M&G (Lux) Income Allocation Fund South African rand X-H F1

M&G (Lux) Income Allocation Fund US dollar A-H F

M&G (Lux) Income Allocation Fund US dollar X-H F

M&G (Lux) Multi Asset 2023 Fund Euro P

M&G (Lux) Optimal Income Fund Singapore dollar A-H M F1

M&G (Lux) Optimal Income Fund South African rand A-H M F2

M&G (Lux) Optimal Income Fund South African rand X-H M F2

M&G (Lux) Optimal Income Fund US dollar A-H M F

M&G (Lux) Optimal Income Fund US dollar A-H M F1

M&G (Lux) Optimal Income Fund US dollar X-H M F

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

M&G (Lux) Global Dividend Fund

M&G (Lux) Global Listed Infrastructure Fund

M&G (Lux) Income Allocation Fund

M&G (Lux) North American Dividend Fund

4 Transaction costs

Direct portfolio transaction costs include broker execution commission and taxes and are incremental costs that are directly attributable to the transaction. Indirect portfolio transaction costs represent the difference between the buying and selling prices of the sub-fund's investments (portfolio dealing spread); some types of investment, such as fixed interest securities, have no direct transaction costs and only the portfolio dealing spread is paid. Transaction costs are incorporated as part of realised gain/(loss) in the Statement of operations and changes in net assets.

Direct portfolio transaction costs	For the year ended 31 March 2023
M&G (Lux) Absolute Return Bond Fund	€1,238
M&G (Lux) Asian Fund	US$59,390
M&G (Lux) Better Health Solutions Fund[a]	US$14,216
M&G (Lux) Climate Solutions Fund	US$2,281
M&G (Lux) Conservative Allocation Fund[b]	€246,812
M&G (Lux) Diversity and Inclusion Fund	US$3,770
M&G (Lux) Dynamic Allocation Fund	€475,309
M&G (Lux) Emerging Markets Income Opportunities Fund[c]	US$13,056
M&G (Lux) Episode Macro Fund	US$137,774
M&G (Lux) Euro Corporate Bond Fund	€6,941

Notes to the financial statements

Direct portfolio transaction costs	For the year ended 31 March 2023
M&G (Lux) European Inflation Linked Corporate Bond Fund	€3,094
M&G (Lux) European Strategic Value Fund	€1,273,166
M&G (Lux) Global Convertibles Fund	US$3,998
M&G (Lux) Global Corporate Bond Fund	US$21,058
M&G (Lux) Global Dividend Fund	US$1,114,344
M&G (Lux) Global Emerging Markets Fund	US$129,097
M&G (Lux) Global Enhanced Equity Premia Fund	US$1,158
M&G (Lux) Global High Yield Bond Fund	US$1,019
M&G (Lux) Global Listed Infrastructure Fund	US$3,902,472
M&G (Lux) Global Macro Bond Fund	US$19,504
M&G (Lux) Global Maxima Fund	US$527,799
M&G (Lux) Global Sustain Paris Aligned Fund	US$101,169
M&G (Lux) Global Target Return Fund	€9,327
M&G (Lux) Global Themes Fund	US$379,416
M&G (Lux) Income Allocation Fund	€172,123
M&G (Lux) Japan Fund	¥4,933,422
M&G (Lux) Japan Smaller Companies Fund	¥2,421,705
M&G (Lux) North American Dividend Fund	US$70,000
M&G (Lux) North American Value Fund	US$14,757
M&G (Lux) Optimal Income Fund	€659,050
M&G (Lux) Pan European Sustain Paris Aligned Fund	€44,990
M&G (Lux) Positive Impact Fund	US$164,219
M&G (Lux) Short Dated Corporate Bond Fund	€45
M&G (Lux) Sustainable Allocation Fund	€93,543
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund	US$196
M&G (Lux) Sustainable Global High Yield Bond Fund	US$1,553
M&G (Lux) Sustainable Macro Flexible Credit Fund	€7,517
M&G (Lux) Sustainable Multi Asset Growth Fund	€48,693
M&G (Lux) Sustainable Optimal Income Bond Fund	€2,219

[a] For the period from 2 March 2023 (launch date of the sub-fund) until 31 March 2023.
[b] For the period from 1 April 2022 until 21 October 2022 (the merger date of the sub-fund).
[c] For the period from 1 April 2022 until 6 May 2022 (the merger date of the sub-fund).

Notes to the financial statements

5 Operating charges

Operating charges included in the Total Expense Ratio (TER) calculation include payments made to M&G and to providers independent of M&G:

- **Investment management:** Charge paid to M&G for investment management of the sub-fund (also known as Annual Management Charge).
- **Performance fee:** Performance fee paid (payable) to M&G based on performance of the applicable share class.
- **Administration:** Charge paid to M&G for administration services in addition to investment management – any surplus from this charge will be retained by M&G.
  Please note that this does not apply to M&G (Lux) Sustainable Macro Flexible Credit Fund and M&G (Lux) Multi Asset 2023 Fund, which carry a Single Charge.
- **Share class hedging:** Charge paid to M&G for currency hedging services to minimise exchange rate risk for the share class.
- **Oversight and other independent services:** Charges paid to providers independent of M&G for services which include depositary, custody and audit. From 1 October 2020, audit fees and custody transaction charges will be paid by the Management Company for any sub-fund where the NAV has been lower than €200m ('Threshold'). The Management Company reviews the Net Asset Value of the sub-funds at the end of each quarter. If at the end of two consecutive quarters a sub-fund's Net Asset Value is:
  - below the Threshold: the audit fees and custody transaction charges will be borne by the Management Company and excluded from the calculation of the Net Asset Value of the sub-fund.
  - above the Threshold: the audit fees and custody transaction charges will be included in the calculation of the Net Asset.
- **Taxation in Luxembourg:** Under current legislation, investors that are not resident in Luxembourg are not subject to capital gains or income tax, unless they have a permanent establishment in Luxembourg to which the share capital of the Fund is allocated. Retail share classes of the Fund are subject to a tax (*taxe d'abonnement*) of 0.05% per annum and institutional share classes of 0.01%.
- **Ongoing charges from underlying funds:** Ongoing charges on holdings in underlying funds that are not rebated. Where a sub-fund invests in collective investment schemes that are also managed by the Management Company (or an associate), the Management Company will rebate the Annual Management Charge and Administration Fee of the underlying collective investment scheme.

The operating charges paid by each share class of the sub-funds are shown in the Total Expense Ratio (TER) tables. Operating charges do not include portfolio transaction costs or any entry and exit charges also known as initial and redemption charges. The charging structures of the share classes may differ, and therefore the operating charges may differ. For each sub-fund there is no difference between operating charges and TER figures, unless disclosed under the specific TER table.

For M&G (Lux) Episode Macro Fund, the operating charges and performance fees are paid by the applicable share class. The charges do not include portfolio transaction costs or any entry and exit charges (also known as initial and redemption charges). The charging structures of the applicable share classes may differ, and therefore the operating charges and performance fees may differ. For further details of performance fee calculations please refer to the most recent Visa Stamped Prospectus approved by the CSSF on 22 February 2023.

Notes to the financial statements

For M&G (Lux) Multi Asset 2023 and M&G (Lux) Sustainable Macro Flexible Credit Fund, the Management Company takes a 'Single Charge' from each Share Class of the sub-fund to cover its duties, as well as operating, administration and oversight costs associated with the sub-fund. Such charge will be calculated and taken into account daily ('Single Charge'). For additional information on Single Charge, please refer to the Prospectus which is available on our website at mandg.com/investments/lu

6 Annual management, administration and share class hedging charges

Annual management charges are set out in the table below. In addition, there is an administration charge of 0.15% per share class. A Share class hedging charge of 0.01%-0.055% will apply to hedged share classes. These charges are accrued daily based on the net asset value of each share class. Any amounts outstanding at the year end are disclosed in the Statement of net assets.

Please note that the following table lists the available share classes. Each share class further contains an accumulation and distribution option.

Annual Management Charge

	Share classes								
	A %	B %	C %	CI %	E %	EI %	G %	GI %	J %
M&G (Lux) Absolute Return Bond Fund	1.00	1.30	0.40	0.40	n/a	n/a	n/a	n/a	a
M&G (Lux) Asian Fund	1.50	2.00	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Better Health Solutions Fund	1.75	2.25	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Climate Solutions Fund	1.75	2.25	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Conservative Allocation Fund	1.40	1.90	0.60	0.60	n/a	n/a	n/a	n/a	c
M&G (Lux) Diversity and Inclusion Fund	1.75	n/a	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Dynamic Allocation Fund	1.75	2.25	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Emerging Markets Bond Fund	1.25	1.75	0.60	0.60	n/a	n/a	n/a	n/a	c
M&G (Lux) Emerging Markets Hard Currency Bond Fund	1.50	2.00	0.60	0.60	n/a	n/a	n/a	n/a	c
M&G (Lux) Emerging Markets Income Opportunities Fund	1.50	2.00	0.60	0.60	n/a	n/a	n/a	n/a	c
M&G (Lux) Episode Macro Fund	n/a	2.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Euro Corporate Bond Fund	0.40	n/a	0.15	0.15	n/a	n/a	n/a	n/a	d
M&G (Lux) European Inflation Linked Corporate Bond Fund	0.50	n/a	0.20	0.20	n/a	n/a	n/a	n/a	e
M&G (Lux) European Strategic Value Fund	1.50	2.00	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Global Convertibles Fund	1.50	2.00	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Global Corporate Bond Fund	0.65	n/a	0.25	0.25	n/a	n/a	n/a	n/a	f
M&G (Lux) Global Dividend Fund	1.75	2.25	0.75	0.75	n/a	n/a	1.00	1.00	b
M&G (Lux) Global Enhanced Equity Premia Fund	0.40	0.90	0.15	0.15	n/a	n/a	n/a	n/a	g

Notes to the financial statements

	Share classes								
	A %	B %	C %	CI %	E %	EI %	G %	GI %	J %
M&G (Lux) Global Emerging Markets Fund	1.75	2.25	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Global Floating Rate High Yield Fund	1.00	1.50	0.40	0.40	n/a	n/a	n/a	n/a	a
M&G (Lux) Global High Yield Bond Fund	1.00	1.50	0.40	0.40	n/a	n/a	n/a	n/a	a
M&G (Lux) Global Listed Infrastructure Fund	1.75	2.25	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Global Macro Bond Fund	1.25	1.75	0.65	0.65	n/a	n/a	n/a	n/a	h
M&G (Lux) Global Maxima Fund	1.75	2.25	0.75	0.75	0.65	0.65	n/a	n/a	n/a
M&G (Lux) Global Sustain Paris Aligned Fund	1.75	2.25	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Global Target Return Fund	1.25	1.75	0.50	0.50	n/a	n/a	n/a	n/a	i
M&G (Lux) Global Themes Fund	1.75	2.25	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Income Allocation Fund	1.50	2.00	0.65	0.65	n/a	n/a	n/a	n/a	h
M&G (Lux) Japan Fund	1.50	2.00	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Japan Smaller Companies Fund	1.50	2.00	0.75	0.75	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Multi Asset 2023 Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) North American Dividend Fund	1.50	2.00	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) North American Value Fund	1.50	2.00	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Optimal Income Fund	1.25	1.75	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Pan European Sustain Paris Aligned Fund	1.50	2.00	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Positive Impact Fund	1.75	2.25	0.75	0.75	n/a	n/a	n/a	n/a	b
M&G (Lux) Short Dated Corporate Bond Fund	0.25	n/a	0.10	0.10	n/a	n/a	n/a	n/a	g
M&G (Lux) Sustainable Allocation Fund	1.50	2.00	0.60	0.60	n/a	n/a	n/a	n/a	c
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund	1.50	2.00	0.60	0.60	n/a	n/a	n/a	n/a	c
M&G (Lux) Sustainable Global High Yield Bond Fund	1.00	1.50	0.40	0.40	n/a	n/a	n/a	n/a	a
M&G (Lux) Sustainable Macro Flexible Credit Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Sustainable Multi Asset Growth Fund	1.50	2.00	0.60	0.60	n/a	n/a	n/a	n/a	c
M&G (Lux) Sustainable Optimal Income Bond Fund	1.25	1.75	0.75	0.75	n/a	n/a	n/a	n/a	b

Notes to the financial statements

	Share classes								
	JI %	L %	LI %	N %	P %	P2 %	S %	SI %	T %
M&G (Lux) Absolute Return Bond Fund	a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Asian Fund	b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Better Health Solutions Fund	b	0.30	0.30	j	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Climate Solutions Fund	b	0.50	0.50	j	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Conservative Allocation Fund	c	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Diversity and Inclusion Fund	b	0.30	0.30	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Dynamic Allocation Fund	b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Emerging Markets Bond Fund	c	n/a	n/a	k	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Emerging Markets Hard Currency Bond Fund	c	0.35	0.35	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Emerging Markets Income Opportunities Fund	c	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Episode Macro Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	1.75	0.75
M&G (Lux) Euro Corporate Bond Fund	d	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) European Inflation Linked Corporate Bond Fund	e	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) European Strategic Value Fund	b	n/a	n/a	l	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Convertibles Fund	b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Corporate Bond Fund	f	n/a	n/a	h	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Dividend Fund	b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Enhanced Equity Premia Fund	g	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Emerging Markets Fund	b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Floating Rate High Yield Fund	a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global High Yield Bond Fund	a	0.40	0.40	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Listed Infrastructure Fund	b	0.50	0.50	j	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Macro Bond Fund	h	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Maxima Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Sustain Paris Aligned Fund	b	n/a	n/a	j	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Target Return Fund	i	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Global Themes Fund	b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Income Allocation Fund	h	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Japan Fund	b	0.35	0.35	n/a	n/a	n/a	n/a	n/a	n/a

Notes to the financial statements

	Share classes								
	JI %	L %	LI %	N %	P %	P2 %	S %	SI %	T %
M&G (Lux) Japan Smaller Companies Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Multi Asset 2023 Fund	n/a	n/a	n/a	n/a	1.60	n/a	n/a	n/a	n/a
M&G (Lux) North American Dividend Fund	b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) North American Value Fund	b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Optimal Income Fund	b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Pan European Sustain Paris Aligned Fund	b	n/a	n/a	l	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Positive Impact Fund	b	0.30	0.30	j	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Short Dated Corporate Bond Fund	g	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Sustainable Allocation Fund	c	0.35	0.35	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund	c	0.35	0.35	l	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Sustainable Global High Yield Bond Fund	a	0.20	0.20	m	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Sustainable Macro Flexible Credit Fund	n/a	n/a	n/a	n/a	1.10	1.10	n/a	n/a	n/a
M&G (Lux) Sustainable Multi Asset Growth Fund	c	0.35	0.35	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) Sustainable Optimal Income Bond Fund	b	b	b	n/a	n/a	n/a	n/a	n/a	n/a

	Share classes								
	TI %	U %	UI %	V %	W %	WI %	X %	Z %	ZI %
M&G (Lux) Absolute Return Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.00	nil	nil
M&G (Lux) Asian Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Better Health Solutions Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Climate Solutions Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Conservative Allocation Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.40	nil	nil
M&G (Lux) Diversity and Inclusion Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Dynamic Allocation Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Emerging Markets Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.25	nil	nil
M&G (Lux) Emerging Markets Hard Currency Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Emerging Markets Income Opportunities Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Episode Macro Fund	0.75	n/a	n/a	n/a	n/a	n/a	1.75	n/a	n/a
M&G (Lux) Euro Corporate Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	0.40	nil	nil

Notes to the financial statements

	Share classes								
	TI %	U %	UI %	V %	W %	WI %	X %	Z %	ZI %
M&G (Lux) European Inflation Linked Corporate Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	0.50	nil	nil
M&G (Lux) European Strategic Value Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Global Convertibles Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Global Corporate Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	0.65	nil	nil
M&G (Lux) Global Dividend Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Global Enhanced Equity Premia Fund	n/a	n/a	n/a	n/a	n/a	n/a	0.40	nil	nil
M&G (Lux) Global Emerging Markets Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Global Floating Rate High Yield Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.00	nil	nil
M&G (Lux) Global High Yield Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.00	nil	nil
M&G (Lux) Global Listed Infrastructure Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Global Macro Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.25	nil	nil
M&G (Lux) Global Maxima Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Global Sustain Paris Aligned Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Global Target Return Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.25	nil	nil
M&G (Lux) Global Themes Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Income Allocation Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Japan Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Japan Smaller Companies Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Multi Asset 2023 Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M&G (Lux) North American Dividend Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) North American Value Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Optimal Income Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.25	nil	nil
M&G (Lux) Pan European Sustain Paris Aligned Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Positive Impact Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.75	nil	nil
M&G (Lux) Short Dated Corporate Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	0.25	nil	nil
M&G (Lux) Sustainable Allocation Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil

Notes to the financial statements

	Share classes								
	TI %	U %	UI %	V %	W %	WI %	X %	Z %	ZI %
M&G (Lux) Sustainable Global High Yield Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.00	nil	nil
M&G (Lux) Sustainable Macro Flexible Credit Fund	n/a	0.52	0.48	1.35	0.59	0.55	n/a	nil	nil
M&G (Lux) Sustainable Multi Asset Growth Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.50	nil	nil
M&G (Lux) Sustainable Optimal Income Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a	1.25	nil	nil

[a] Up to 0.40%.
[b] Up to 0.75%.
[c] Up to 0.60%.
[d] Up to 0.15%.
[e] Up to 0.20%
[f] Up to 0.25%.
[g] Up to 0.10%.
[h] Up to 0.65%.
[i] Up to 0.50%.
[j] Up to 1.75%.
[k] Up to 1.25%.
[l] Up to 1.50%.
[m] Up to 1.00%.

Administration Charge

From 1 October 2020, a discount was introduced on the administration charge based on a sub-fund's Net Asset value (NAV), as shown in the table below. The sub-funds' administration charge is currently up to 0.15% per annum.

Sub-fund NAV	Discount	Buffer[a]	Discount removed/reduced[b]
€ 0-1.25bn	nil	n/a	n/a
€ 1.25-2.50bn	0.02%	€ 125m	€ 1.125bn
€ 2.50-3.75bn	0.04%	€ 125m	€ 2.375bn
€ 3.75-5.00bn	0.06%	€ 125m	€ 3.625bn
€ 5.00-6.25bn	0.08%	€ 125m	€ 4.875bn
€ 6.25-7.50bn	0.10%	€ 250m	€ 6.000bn
More than € 7.50bn	0.12%	€ 250m	€ 7.250bn

[a] Applied in case of reducing sub-fund NAV.
[b] When a sub-fund NAV falls below.

Please note that this change does not apply to the M&G (Lux) Multi Asset 2023 Fund and M&G (Lux) Sustainable Macro Flexible Credit Fund, which carry a Single Charge.

7 Depositary, safe custody and custody transaction charges

The Depositary takes a charge from each sub-fund as payment for its duties as depositary. The Depositary's charge is based on the NAV of each sub-fund, and in normal circumstances, the fees payable to the Depositary for its provision of services shall be subject to a maximum of 1 basis point.

Notes to the financial statements

The Depositary also receives a fee in relation to the safe-keeping of each sub-fund's assets (safe custody charges) and a fee in relation to processing transactions (custody transaction charges). The safe custody charge is a range between 0.00005% and 0.4% of the asset values and custody transaction charges range between €5 and €100 per transaction.

The Depositary's charge is calculated and taken into account daily on the same basis as described above for the Annual Management Charge. The safe custody charges and custody transaction charges are accrued daily.

8 Directors' fees

The Directors are entitled to receive fees of €50,000 per director per annum, which are paid by the Management Company. Philip Jelfs and Laurence Mumford have waived their entitlement to Director's fees. The Management Company shall also reimburse certain expenses of the Directors, in accordance with the Articles, out of the Administration Charge.

9 Taxes

Luxembourg

The Fund is, in principle, liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum of its NAV, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Fund at the end of the relevant calendar quarter.

This rate is reduced to 0.01% per annum for:

- Undertakings whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions;
- Undertakings whose sole object is the collective investment in deposits with credit institutions; and
- Individual sub-funds of UCIs with multiple sub-funds, as well as for individual classes of securities issued within a UCI or within a sub-fund of a UCI with multiple sub-funds, provided that the securities of such sub-funds or classes are reserved to one or more institutional investors.

As from 1 January 2021, the Fund or its individual sub-funds, may benefit from reduced subscription tax rates depending on the value of the relevant sub-fund's net assets invested in economic activities that qualify as environmentally sustainable within the meaning of Article 3 of the Taxonomy Regulation (the 'Qualifying Activities'), except for the proportion of net assets of the Fund or its individual sub-funds invested in fossil gas and/or nuclear energy related activities. The reduced subscription tax rates would be of:

- 0.04% if at least 5% of the total net assets of the Fund, or of its individual sub-funds, are invested in Qualifying Activities;
- 0.03% if at least 20% of the total net assets of the Fund, or of its individual sub-funds, are invested in Qualifying Activities;
- 0.02% if at least 35% of the total net assets of the Fund, or of its individual sub-funds, are invested in Qualifying Activities; and
- 0.01% if at least 50% of the total net assets of the Fund, or of its individual sub-funds, are invested in Qualifying Activities.

The subscription tax rates mentioned above would only apply to the net assets invested in Qualifying Activities.

Notes to the financial statements

In addition, exemptions are available from the subscription tax where:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax;
- UCIs reserved for Institutional Investors invested in money market instruments and deposits with credit institutions whose weighted residual portfolio maturity does not exceed 90 days and that have obtained the highest possible rating from a recognised rating agency;
- UCIs whose securities are reserved for retirement pension schemes;
- UCIs whose main objective is the investment in microfinance institutions;
- UCIs which securities are listed or traded and whose exclusive object is to replicate the performance of one or more indices.

The table below shows the *taxe d'abonnement* applicable to each share class.

Taxe d'abonnement

	Share classes								
	A %	B %	C %	CI %	E %	EI %	G %	GI %	J %
Current annual rate of local tax	0.05	0.05	0.05	0.01	0.05	0.01	0.05	0.01	0.05

	Share classes								
	JI %	L %	LI %	N %	P %	P2 %	S %	SI %	T %
Current annual rate of local tax	0.01	0.05	0.01	0.05	0.01[a]	0.01[b]	0.05	0.01	0.05

	Share classes								
	TI %	U %	UI %	V %	W %	WI %	X %	Z %	ZI %
Current annual rate of local tax	0.01	0.01[c]	0.01[d]	0.01[e]	0.01[f]	0.01[g]	0.05	0.05	0.01

a The Single Charge which is up to 1.60% includes the *taxe d'abonnement*.
b The Single Charge which is up to 1.10% includes the *taxe d'abonnement*.
c The Single Charge which is up to 0.52% includes the *taxe d'abonnement*.
d The Single Charge which is up to 0.48% includes the *taxe d'abonnement*.
e The Single Charge which is up to 1.35% includes the *taxe d'abonnement*.
f The Single Charge which is up to 0.59% includes the *taxe d'abonnement*.
g The Single Charge which is up to 0.55% includes the *taxe d'abonnement*.

Other transaction taxes

Other jurisdictions may impose taxes, financial transactions taxes (FTT) or other transaction taxes on certain assets held by the sub-funds (for example, UK stamp duty, French FTT).

Withholding tax

Dividends, capital gains and interest received by the sub-fund on its investments may be subject to withholding taxes in the countries of origin which are generally irrecoverable as the sub-fund itself is exempt from income tax.

Notes to the financial statements

10 Swing pricing

Investments are bought or sold by a sub-fund when changes are made to the investment portfolio and in response to net flows of money into or out of the sub-funds from investors buying and selling shares in the sub-funds.

To protect existing investors, the Directors operate a policy of swing pricing. This policy gives the Directors the power to apply a 'swing price adjustment' to the Net Asset Value per share so that portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-funds can be recovered from those investors through the price they pay or receive.

A swing price adjustment may be applied in the event that the daily net subscriptions or net redemptions exceed a predetermined threshold set by the Directors.

The published share price/NAV per share inclusive of the swing pricing adjustment is disclosed in the net asset values and total expense ratio table included within the Financial highlights section of each sub-fund. The swing price adjustment is not recognised in the Statement of net assets or the Statement of operations and changes in net assets.

Swing price adjustments received through buying and selling shares is included in the net in/outflows in the Statement of operations and changes in net assets.

Under normal market conditions, the adjustment will never be larger than 2% of what the NAV would otherwise be on any given Valuation Day. This adjustment may however be significantly higher and beyond the maximum threshold during exceptional market conditions such as periods of high volatility, reduced asset liquidity and market stress. The price adjustment applicable to a specific sub-fund is available on request from the Management Company at its registered office.

11 Transactions with connected persons by cross-investment

M&G Luxembourg S.A., as the Management Company, is a related party. Details of charges payable to M&G Luxembourg S.A. in respect of annual management, administration and share class hedging charges are disclosed in note 6. Amounts paid are disclosed in the Statement of operations and changes in net assets and amounts due at the year end are disclosed in the Statement of net assets.

As at 31 March 2023, the M&G (Lux) Dynamic Allocation Fund sub-fund invested in shares of the sub-funds M&G (Lux) Emerging Markets Hard Currency Bond Fund, M&G (Lux) Global Convertibles Fund, M&G (Lux) Global Emerging Markets Fund, M&G (Lux) Japan Fund, M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund. The value of the shares held amounts to €87,909,354 and represents 3.93% of the net assets of the sub-fund M&G (Lux) Dynamic Allocation Fund.

As at 31 March 2023, the M&G (Lux) Global Maxima Fund sub-fund invested in shares of the sub-fund M&G Global Property Fund. The value of the shares held amounts to US$1,447,438 and represents 0.71% of the net assets of the sub-fund M&G (Lux) Global Maxima Fund.

As at 31 March 2023, the M&G (Lux) Global Target Return Fund sub-fund invested in shares of the sub-funds M&G Short Dated Corporate Bond Fund and M&G Total Return Credit Investment Fund. The value of the shares held amounts to €3,466,417 and represents 5.54% of the net assets of the sub-fund M&G (Lux) Global Target Return Fund.

As at 31 March 2023, the M&G (Lux) Income Allocation Fund sub-fund invested in shares of the sub-fund M&G (Lux) Emerging Markets Hard Currency Bond Fund. The value of the shares held amounts to €13,699,486 and represents 1.23% of the net assets of the sub-fund M&G (Lux) Income Allocation Fund.

Notes to the financial statements

As at 31 March 2023, the M&G (Lux) Multi Asset 2023 Fund sub-fund invested in shares of the sub-funds M&G (Lux) Absolute Return Bond Fund, M&G (Lux) Dynamic Allocation Fund, M&G (Lux) Emerging Markets Bond Fund, M&G (Lux) Emerging Markets Hard Currency Bond Fund, M&G (Lux) Episode Macro Fund, M&G (Lux) Global Convertibles Fund, M&G (Lux) Global Corporate Bond Fund, M&G (Lux) Global Dividend Fund, M&G (Lux) Global High Yield Bond Fund, M&G (Lux) Global Target Return Fund, M&G (Lux) Income Allocation Fund, M&G (Lux) Optimal Income Fund, M&G (Lux) Sustainable Allocation Fund and M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund. The value of the shares held amounts to €114,678,063 and represents 99.07% of the net assets of the sub-fund M&G (Lux) Multi Asset 2023 Fund.

The impact of the cross investment transactions has not been eliminated from the combined Statement of net assets and Statement of operations and changes in net assets.

There are no other related parties.

12 Cash collateral

The sub-funds trade derivatives with a range of counterparties. The counterparties to the derivatives and amount held as collateral are shown in counterparty exposure tables under the statement of investments of each sub-fund.

13 Distributions

The following distributions were paid to Distribution share classes during the year ended 31 March 2023.

M&G (Lux) Absolute Return Bond Fund		
Distribution timetable		
Period to	31.03.22	30.09.22
Ex dividend date	25.04.22	24.10.22
Pay date	28.04.22	27.10.22
Distribution rate per share class		
Euro	**EUR**	**EUR**
Class 'A'	0.0678	0.0556
Class 'B'	0.0682	0.0561
Class 'C'	0.0699	0.0575
Sterling	**GBP**	**GBP**
Class 'C-H'	0.0740	0.0611
Swiss franc	**CHF**	**CHF**
Class 'A-H'	0.0670	0.0540
Class 'C-H'	0.0690	0.0556
US dollar	**USD**	**USD**
Class 'A-H'	0.0744	0.0634
Class 'C-H'	0.0767	0.0653

Notes to the financial statements

M&G (Lux) Climate Solutions Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	0.1345
Class 'C'	0.1357

M&G (Lux) Conservative Allocation Fund			
Distribution timetable			
Period to	31.03.22	30.06.22	30.09.22
Ex dividend date	25.04.22	18.07.22	17.10.22
Pay date	28.04.22	21.07.22	20.10.22
Distribution rate per share class			
Euro	**EUR**	**EUR**	**EUR**
Class 'A'	0.0368	0.0444	0.0551
Class 'B'	0.0361	0.0435	0.0538
Class 'C'	0.0380	0.0460	0.0572
US dollar	**USD**	**USD**	**USD**
Class 'A-H'	0.0399	0.0492	0.0613
Class 'C-H'	0.0409	0.0508	n/a

M&G (Lux) Diversity and Inclusion Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	0.0366
Class 'B'	0.0367

Notes to the financial statements

M&G (Lux) Dynamic Allocation Fund				
Distribution timetable				
Period to	31.03.22	30.04.22	31.05.22	30.06.22
Ex dividend date	25.04.22	23.05.22	20.06.22	18.07.22
Pay date	28.04.22	27.05.22	23.06.22	21.07.22
Distribution rate per share class				
Australian dollar	**AUD**	**AUD**	**AUD**	**AUD**
Class 'A-H M'	0.0244	0.0174	0.0199	0.0203
Class 'C-H M'	0.0251	0.0181	0.0207	0.0208
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0469	n/a	n/a	0.0542
Class 'C'	0.0489	n/a	n/a	0.0565
Hong Kong dollar	**HKD**	**HKD**	**HKD**	**HKD**
Class 'A-H M'	0.2547	0.1919	0.2085	0.2180
Class 'C-H M'	0.2643	0.1984	0.2145	0.2249
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'A-H'	0.0523	n/a	n/a	0.0605
Class 'C-H'	0.0502	n/a	n/a	0.0582
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	0.0508	n/a	n/a	0.0602
Class 'A-H M F'	0.0312	0.0312	0.0312	0.0312
Class 'C-H'	0.0527	n/a	n/a	0.0628

M&G (Lux) Dynamic Allocation Fund				
Distribution timetable				
Period to	31.07.22	31.08.22	30.09.22	31.10.22
Ex dividend date	22.08.22	20.09.22	24.10.22	21.11.22
Pay date	25.08.22	23.09.22	27.10.22	24.11.22
Distribution rate per share class				
Australian dollar	**AUD**	**AUD**	**AUD**	**AUD**
Class 'A-H M'	0.0241	0.0277	0.0274	0.0175
Class 'C-H M'	0.0250	0.0288	0.0283	0.0182
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	n/a	n/a	0.0730	n/a
Class 'C'	n/a	n/a	0.0765	n/a

Notes to the financial statements

M&G (Lux) Dynamic Allocation Fund				
Hong Kong dollar	**HKD**	**HKD**	**HKD**	**HKD**
Class 'A-H M'	0.2527	0.2971	0.2856	0.1868
Class 'C-H M'	0.2607	0.3074	0.2959	0.1945
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'A-H'	n/a	n/a	0.0826	n/a
Class 'C-H'	n/a	n/a	0.0797	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	n/a	n/a	0.0808	n/a
Class 'A-H M F'	0.0312	0.0312	0.0312	0.0312
Class 'C-H'	n/a	n/a	0.0845	n/a

M&G (Lux) Dynamic Allocation Fund				
Distribution timetable				
Period to	30.11.22	31.12.22	31.01.23	28.02.23
Ex dividend date	19.12.22	23.01.23	20.02.23	20.03.23
Pay date	22.12.22	26.01.23	23.02.23	23.03.23
Distribution rate per share class				
Australian dollar	**AUD**	**AUD**	**AUD**	**AUD**
Class 'A-H M'	0.0246	0.0175	0.0262	0.0281
Class 'C-H M'	0.0255	0.0182	0.0271	0.0292
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	n/a	0.0552	n/a	n/a
Class 'C'	n/a	0.0580	n/a	n/a
Hong Kong dollar	**HKD**	**HKD**	**HKD**	**HKD**
Class 'A-H M'	0.2560	0.1858	0.2757	0.2988
Class 'C-H M'	0.2647	0.1929	0.2848	0.3101
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'A-H'	n/a	0.0637	n/a	n/a
Class 'C-H'	n/a	0.0615	n/a	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	n/a	0.0613	n/a	n/a
Class 'A-H M F'	0.0312	0.0312	0.0297	0.0297
Class 'C-H'	n/a	0.0643	n/a	n/a

Notes to the financial statements

M&G (Lux) Emerging Markets Bond Fund				
Distribution timetable				
Period to	31.03.22	30.04.22	31.05.22	30.06.22
Ex dividend date	25.04.22	23.05.22	20.06.22	18.07.22
Pay date	28.04.22	27.05.22	23.06.22	21.07.22
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.2864	n/a	n/a	n/a
Class 'A-H'	0.2538	n/a	n/a	n/a
Class 'B'	0.2816	n/a	n/a	n/a
Class 'B-H'	0.2498	n/a	n/a	n/a
Class 'C'	0.2927	n/a	n/a	n/a
Class 'C-H'	0.2595	n/a	n/a	n/a
Class 'CI-H'	0.2998	n/a	n/a	n/a
Class 'JI-H'	0.0981	n/a	n/a	n/a
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H M'	0.0431	0.0393	0.0521	0.0380
South African rand	**ZAR**	**ZAR**	**ZAR**	**ZAR**
Class 'A-H M F1'	1.4281	1.4281	1.4281	1.4281
Class 'X-H M F1'	1.4239	1.4239	1.4239	1.4239
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	0.2724	n/a	n/a	n/a
Class 'CI'	0.2719	n/a	n/a	n/a
Class 'JI-H'	0.0984	n/a	n/a	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.2701	n/a	n/a	n/a
Class 'A M'	0.0417	0.0386	0.0503	0.0375
Class 'A M F'	0.6811	0.6811	0.6811	0.6811
Class 'C'	0.2760	n/a	n/a	n/a
Class 'C M'	0.0426	0.0395	0.0514	0.0384
Class 'JI'	0.0978	n/a	n/a	n/a
Class 'X M'	0.0413	0.0382	0.0497	0.0371
Class 'X M F'	0.6733	0.6733	0.6733	0.6733

Notes to the financial statements

M&G (Lux) Emerging Markets Bond Fund				
Distribution timetable				
Period to	31.07.22	31.08.22	30.09.22	31.10.22
Ex dividend date	22.08.22	20.09.22	24.10.22	21.11.22
Pay date	25.08.22	23.09.22	27.10.22	24.11.22
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	n/a	n/a	0.2975	n/a
Class 'A-H'	n/a	n/a	0.2198	n/a
Class 'B'	n/a	n/a	0.2920	n/a
Class 'B-H'	n/a	n/a	0.2160	n/a
Class 'C'	n/a	n/a	0.3050	n/a
Class 'C-H'	n/a	n/a	0.2258	n/a
Class 'CI-H'	n/a	n/a	0.2611	n/a
Class 'JI-H'	n/a	n/a	0.2653	n/a
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H M'	0.0419	0.0475	0.0404	0.0426
South African rand	**ZAR**	**ZAR**	**ZAR**	**ZAR**
Class 'A-H M F1'	1.4281	1.4281	1.4281	1.4281
Class 'X-H M F1'	1.4239	1.4239	1.4239	1.4239
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	n/a	n/a	0.2964	n/a
Class 'CI'	n/a	n/a	0.2955	n/a
Class 'JI-H'	n/a	n/a	0.2689	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	n/a	n/a	0.2469	n/a
Class 'A M'	0.0406	0.0472	0.0391	0.0409
Class 'A M F'	0.6811	0.6811	0.6811	0.6811
Class 'C'	n/a	n/a	0.2532	n/a
Class 'C M'	0.0415	0.0484	0.0401	0.0420
Class 'JI'	n/a	n/a	0.2707	n/a
Class 'X M'	0.0400	0.0465	0.0385	0.0403
Class 'X M F'	0.6733	0.6733	0.6733	0.6733

Notes to the financial statements

M&G (Lux) Emerging Markets Bond Fund				
Distribution timetable				
Period to	30.11.22	31.12.22	31.01.23	28.02.23
Ex dividend date	19.12.22	23.01.23	20.02.23	20.03.23
Pay date	22.12.22	26.01.23	23.02.23	23.03.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	n/a	n/a	n/a	n/a
Class 'A-H'	n/a	n/a	n/a	n/a
Class 'B'	n/a	n/a	n/a	n/a
Class 'B-H'	n/a	n/a	n/a	n/a
Class 'C'	n/a	n/a	n/a	n/a
Class 'C-H'	n/a	n/a	n/a	n/a
Class 'CI-H'	n/a	n/a	n/a	n/a
Class 'JI-H'	n/a	n/a	n/a	n/a
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H M'	0.0452	0.0454	0.0453	0.0423
South African rand	**ZAR**	**ZAR**	**ZAR**	**ZAR**
Class 'A-H M F1'	1.4281	1.4281	1.0873	1.0873
Class 'X-H M F1'	1.4239	1.4239	1.0735	1.0735
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	n/a	n/a	n/a	n/a
Class 'CI'	n/a	n/a	n/a	n/a
Class 'JI-H'	n/a	n/a	n/a	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	n/a	n/a	n/a	n/a
Class 'A M'	0.0436	0.0445	0.0442	0.0421
Class 'A M F'	0.6811	0.6811	0.5256	0.5256
Class 'C'	n/a	n/a	n/a	n/a
Class 'C M'	0.0447	0.0456	0.0455	0.0432
Class 'JI'	n/a	n/a	n/a	n/a
Class 'X M'	0.0429	0.0436	0.0435	0.0412
Class 'X M F'	0.6733	0.6733	0.5141	0.5141

Notes to the financial statements

M&G (Lux) Emerging Markets Hard Currency Bond Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	24.10.22	23.01.23
Pay date	28.04.22	21.07.22	27.10.22	26.01.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0376	0.1153	0.1425	0.1297
Class 'A-H'	0.0326	0.0956	0.1087	0.1077
Class 'C'	0.0389	0.1203	0.1500	0.1363
Class 'C-H'	0.0339	0.0998	0.1140	0.1130
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	0.0387	0.1203	0.1532	0.1401
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	0.0322	0.0948	0.1074	0.1043
Class 'C-H'	0.0340	0.0993	0.1127	0.1095
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.0372	0.1067	0.1239	0.1233
Class 'C'	0.0386	0.1117	0.1299	0.1296

M&G (Lux) Emerging Markets Income Opportunities Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A-H'	0.0893
US dollar	**USD**
Class 'A'	0.0995
Class 'A M'	0.0250

M&G (Lux) Euro Corporate Bond Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	24.10.22	23.01.23
Pay date	28.04.22	21.07.22	27.10.22	26.01.23

Notes to the financial statements

M&G (Lux) Euro Corporate Bond Fund				
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0347	0.0608	0.0650	0.0745
Class 'C'	0.0398	0.0697	0.0745	0.0854
Class 'CI'	0.0218	0.0382	0.0409	0.0469
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	0.0238	0.0424	0.0459	0.0527
Class 'C-H'	0.0242	0.0436	0.0471	0.0542

M&G (Lux) European Strategic Value Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	0.3126
Class 'C'	0.3168
Class 'CI'	0.3205
Class 'J'	0.2907
Class 'JI'	0.2908

M&G (Lux) Global Convertibles Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	0.0683
Class 'A-H'	0.0554
Class 'B'	0.0446
Class 'B-H'	0.0412
Class 'C'	0.0766
Class 'C-H'	0.0604

Notes to the financial statements

M&G (Lux) Global Convertibles Fund	
US dollar	**USD**
Class 'A-H'	0.0560
Class 'C-H'	0.0591

M&G (Lux) Global Corporate Bond Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	24.10.22	23.01.23
Pay date	28.04.22	21.07.22	27.10.22	26.01.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	0.0402	0.0461	0.0582	0.0794
Class 'C-H'	0.0411	0.0470	0.0597	0.0816
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'CI-H'	0.0396	0.0456	0.0585	0.0800
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.0459	0.0544	0.0681	0.0936
Class 'C'	0.0476	0.0563	0.0706	0.0969

M&G (Lux) Global Dividend Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	24.10.22	23.01.23
Pay date	28.04.22	21.07.22	27.10.22	26.01.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.1142	0.0718	0.0789	0.0520
Class 'C'	0.1181	0.0744	0.0821	0.0542
Class 'CI'	0.1181	0.0745	0.0821	0.0542
Class 'J'	0.0922	0.0665	0.0784	0.0476
Class 'JI'	0.0924	0.0665	0.0785	0.0476
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A'	0.1145	0.0649	0.0691	0.0464
Class 'C'	0.1185	0.0673	0.0719	0.0483

Notes to the financial statements

M&G (Lux) Global Dividend Fund				
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	0.1146	0.0751	0.0850	0.0564
Class 'CI'	0.1148	0.0753	0.0851	0.0565
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.1117	0.0638	0.0658	0.0473
Class 'C'	0.1156	0.0661	0.0685	0.0493

M&G (Lux) Global Emerging Markets Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	1.0582
Class 'C'	1.1685
Singapore dollar	**SGD**
Class 'A'	0.4329
Class 'C'	0.4552
US dollar	**USD**
Class 'A'	0.9116
Class 'C'	1.0076

M&G (Lux) Global Enhanced Equity Premia Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	0.3127
Class 'C'	0.3141
Class 'CI'	0.3143
Singapore dollar	**SGD**
Class 'A'	0.3116
Class 'C'	0.3130

Notes to the financial statements

M&G (Lux) Global Enhanced Equity Premia Fund	
Swiss franc	**CHF**
Class 'A'	0.2937
Class 'C'	0.2949
US dollar	**USD**
Class 'A'	0.3131
Class 'C'	0.3144

M&G (Lux) Global Floating Rate High Yield Fund				
Distribution timetable				
Period to	31.03.22	30.04.22	31.05.22	30.06.22
Ex dividend date	25.04.22	23.05.22	20.06.22	18.07.22
Pay date	28.04.22	27.05.22	23.06.22	21.07.22
Distribution rate per share class				
Australian dollar	**AUD**	**AUD**	**AUD**	**AUD**
Class 'A-H M'	0.0277	0.0285	0.0348	0.0323
Class 'C-H M'	0.0283	0.0291	0.0356	0.0329
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	0.0901	n/a	n/a	0.0906
Class 'B-H'	0.0886	n/a	n/a	0.0889
Class 'C-H'	0.0920	n/a	n/a	0.0925
Class 'J-H'	0.1144	n/a	n/a	0.1151
Class 'JI-H'	0.1145	n/a	n/a	0.1152
Hong Kong dollar	**HKD**	**HKD**	**HKD**	**HKD**
Class 'A-H M'	0.2840	0.3044	0.3611	0.3453
Class 'C-H M'	0.2892	0.3108	0.3684	0.3523
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H'	0.0950	n/a	n/a	0.0968
Class 'A-H M'	0.0276	0.0292	0.0352	0.0332
Class 'C-H M'	0.0282	0.0298	0.0360	0.0339
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'A-H'	0.0958	n/a	n/a	0.0965
Class 'C-H'	0.0983	n/a	n/a	0.0991
Class 'CI-H'	0.0968	n/a	n/a	0.0978
Class 'J-H'	0.1028	n/a	n/a	0.1046
Class 'JI-H'	0.1024	n/a	n/a	0.1044

Notes to the financial statements

M&G (Lux) Global Floating Rate High Yield Fund				
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	0.0899	n/a	n/a	0.0899
Class 'C-H'	0.0918	n/a	n/a	0.0918
Class 'J-H'	0.1147	n/a	n/a	0.1147
Class 'JI-H'	0.1148	n/a	n/a	0.1149
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.0965	n/a	n/a	0.0997
Class 'A M'	0.0281	0.0300	0.0356	0.0342
Class 'C'	0.0984	n/a	n/a	0.1020
Class 'C M'	0.0286	0.0307	0.0364	0.0349
Class 'J'	0.1167	n/a	n/a	0.1208
Class 'JI'	0.1168	n/a	n/a	0.1210

M&G (Lux) Global Floating Rate High Yield Fund				
Distribution timetable				
Period to	31.07.22	31.08.22	30.09.22	31.10.22
Ex dividend date	22.08.22	20.09.22	24.10.22	21.11.22
Pay date	25.08.22	23.09.22	27.10.22	24.11.22
Distribution rate per share class				
Australian dollar	**AUD**	**AUD**	**AUD**	**AUD**
Class 'A-H M'	0.0309	0.0350	0.0372	0.0446
Class 'C-H M'	0.0317	0.0356	0.0381	0.0456
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	n/a	n/a	0.0972	n/a
Class 'B-H'	n/a	n/a	0.0953	n/a
Class 'C-H'	n/a	n/a	0.0995	n/a
Class 'J-H'	n/a	n/a	0.1237	n/a
Class 'JI-H'	n/a	n/a	0.1240	n/a
Hong Kong dollar	**HKD**	**HKD**	**HKD**	**HKD**
Class 'A-H M'	0.3224	0.3699	0.3866	0.4632
Class 'C-H M'	0.3289	0.3776	0.3942	0.4741
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H'	n/a	n/a	0.1046	n/a
Class 'A-H M'	0.0313	0.0353	0.0377	0.0456
Class 'C-H M'	0.0320	0.0361	0.0386	0.0467

Notes to the financial statements

M&G (Lux) Global Floating Rate High Yield Fund				
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'A-H'	n/a	n/a	0.1054	n/a
Class 'C-H'	n/a	n/a	0.1084	n/a
Class 'CI-H'	n/a	n/a	0.1070	n/a
Class 'J-H'	n/a	n/a	0.1133	n/a
Class 'JI-H'	n/a	n/a	0.1128	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	n/a	n/a	0.0963	n/a
Class 'C-H'	n/a	n/a	0.0985	n/a
Class 'J-H'	n/a	n/a	0.1232	n/a
Class 'JI-H'	n/a	n/a	0.1233	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	n/a	n/a	0.1067	n/a
Class 'A M'	0.0318	0.0366	0.0383	0.0459
Class 'C'	n/a	n/a	0.1092	n/a
Class 'C M'	0.0327	0.0375	0.0392	0.0470
Class 'J'	n/a	n/a	0.1295	n/a
Class 'JI'	n/a	n/a	0.1296	n/a

M&G (Lux) Global Floating Rate High Yield Fund				
Distribution timetable				
Period to	30.11.22	31.12.22	31.01.23	28.02.23
Ex dividend date	19.12.22	23.01.23	20.02.23	20.03.23
Pay date	22.12.22	26.01.23	23.02.23	23.03.23
Distribution rate per share class				
Australian dollar	**AUD**	**AUD**	**AUD**	**AUD**
Class 'A-H M'	0.0545	0.0505	0.0563	0.0543
Class 'C-H M'	0.0557	0.0517	0.0576	0.0557
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	n/a	0.1408	n/a	n/a
Class 'B-H'	n/a	0.1378	n/a	n/a
Class 'C-H'	n/a	0.1443	n/a	n/a
Class 'J-H'	n/a	0.1796	n/a	n/a
Class 'JI-H'	n/a	0.1797	n/a	n/a

Notes to the financial statements

M&G (Lux) Global Floating Rate High Yield Fund				
Hong Kong dollar	**HKD**	**HKD**	**HKD**	**HKD**
Class 'A-H M'	0.5640	0.5330	0.5827	0.5730
Class 'C-H M'	0.5757	0.5457	0.5921	0.5886
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H'	n/a	0.1517	n/a	n/a
Class 'A-H M'	0.0552	0.0517	0.0564	0.0553
Class 'C-H M'	0.0566	0.0530	0.0579	0.0566
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'A-H'	n/a	0.1527	n/a	n/a
Class 'C-H'	n/a	0.1568	n/a	n/a
Class 'CI-H'	n/a	0.1553	n/a	n/a
Class 'J-H'	n/a	0.1644	n/a	n/a
Class 'JI-H'	n/a	0.1637	n/a	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	n/a	0.1375	n/a	n/a
Class 'C-H'	n/a	0.1409	n/a	n/a
Class 'J-H'	n/a	0.1762	n/a	n/a
Class 'JI-H'	n/a	0.1764	n/a	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	n/a	0.1545	n/a	n/a
Class 'A M'	0.0559	0.0527	0.0575	0.0570
Class 'C'	n/a	0.1585	n/a	n/a
Class 'C M'	0.0573	0.0541	0.0590	0.0585
Class 'J'	n/a	0.1880	n/a	n/a
Class 'JI'	n/a	0.1882	n/a	n/a

M&G (Lux) Global High Yield Bond Fund				
Distribution timetable				
Period to	31.03.22	30.04.22	31.05.22	30.06.22
Ex dividend date	25.04.22	23.05.22	20.06.22	18.07.22
Pay date	28.04.22	27.05.22	23.06.22	21.07.22
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	0.0384	0.0360	0.0418	0.0371
Class 'B-H'	0.0317	0.0298	0.0346	0.0306
Class 'C-H'	0.0424	0.0398	0.0462	0.0410

Notes to the financial statements

M&G (Lux) Global High Yield Bond Fund				
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.0468	0.0442	0.0503	0.0457
Class 'C'	0.0494	0.0467	0.0531	0.0483

M&G (Lux) Global High Yield Bond Fund				
Distribution timetable				
Period to	31.07.22	31.08.22	30.09.22	31.10.22
Ex dividend date	22.08.22	20.09.22	24.10.22	21.11.22
Pay date	25.08.22	23.09.22	27.10.22	24.11.22
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	0.0380	0.0410	0.0392	0.0374
Class 'B-H'	0.0314	0.0339	0.0324	0.0308
Class 'C-H'	0.0420	0.0454	0.0434	0.0414
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.0466	0.0512	0.0478	0.0453
Class 'C'	0.0492	0.0541	0.0505	0.0481

M&G (Lux) Global High Yield Bond Fund				
Distribution timetable				
Period to	30.11.22	31.12.22	31.01.23	28.02.23
Ex dividend date	19.12.22	23.01.23	20.02.23	20.03.23
Pay date	22.12.22	26.01.23	23.02.23	23.03.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	0.0417	0.0419	0.0448	0.0416
Class 'B-H'	0.0344	0.0345	0.0369	0.0343
Class 'C-H'	0.0463	0.0464	0.0497	0.0461
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.0513	0.0512	0.0553	0.0523
Class 'C'	0.0542	0.0543	0.0586	0.0555

Notes to the financial statements

M&G (Lux) Global Listed Infrastructure Fund				
Distribution timetable				
Period to	31.03.22	30.04.22	31.05.22	30.06.22
Ex dividend date	25.04.22	23.05.22	20.06.22	18.07.22
Pay date	28.04.22	27.05.22	23.06.22	21.07.22
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0743	n/a	n/a	0.1523
Class 'C'	0.0776	n/a	n/a	0.1596
Class 'J'	0.0188	n/a	n/a	0.1116
Class 'JI'	0.0188	n/a	n/a	0.1117
Class 'ZI'	0.0732	n/a	n/a	0.0750
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H M'	0.0308	0.0205	0.0596	0.0240
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	0.0737	n/a	n/a	0.1539
Class 'JI'	n/a	n/a	n/a	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A'	0.0665	n/a	n/a	0.1324
Class 'C'	0.0695	n/a	n/a	0.1388
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.0702	n/a	n/a	0.1349
Class 'A M'	0.0393	0.0266	0.0763	0.0315
Class 'A M F'	0.3333	0.3333	0.3333	0.3333
Class 'C'	0.0733	n/a	n/a	0.1413
Class 'JI'	n/a	n/a	n/a	n/a

M&G (Lux) Global Listed Infrastructure Fund				
Distribution timetable				
Period to	31.07.22	31.08.22	30.09.22	31.10.22
Ex dividend date	22.08.22	20.09.22	24.10.22	21.11.22
Pay date	25.08.22	23.09.22	27.10.22	24.11.22

Notes to the financial statements

M&G (Lux) Global Listed Infrastructure Fund				
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	n/a	n/a	0.0974	n/a
Class 'C'	n/a	n/a	0.1022	n/a
Class 'J'	n/a	n/a	0.0715	n/a
Class 'JI'	n/a	n/a	0.0716	n/a
Class 'ZI'	n/a	n/a	0.0008	n/a
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H M'	0.0208	0.0168	0.0251	0.0025
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	n/a	n/a	0.1012	n/a
Class 'JI'	n/a	n/a	0.0150	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A'	n/a	n/a	0.0813	n/a
Class 'C'	n/a	n/a	0.0852	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	n/a	n/a	0.0810	n/a
Class 'A M'	0.0267	0.0220	0.0319	0.0030
Class 'A M F'	0.3333	0.3333	0.3333	0.3333
Class 'C'	n/a	n/a	0.0850	n/a
Class 'JI'	n/a	n/a	0.0133	n/a

M&G (Lux) Global Listed Infrastructure Fund				
Distribution timetable				
Period to	30.11.22	31.12.22	31.01.23	28.02.23
Ex dividend date	19.12.22	23.01.23	20.02.23	20.03.23
Pay date	22.12.22	26.01.23	23.02.23	23.03.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	n/a	0.0934	n/a	n/a
Class 'C'	n/a	0.0985	n/a	n/a
Class 'J'	n/a	0.0644	n/a	n/a
Class 'JI'	n/a	0.0646	n/a	n/a
Class 'ZI'	n/a	0.1600	n/a	n/a
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H M'	0.0263	0.0326	0.0171	0.0083

Notes to the financial statements

M&G (Lux) Global Listed Infrastructure Fund				
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	n/a	0.1105	n/a	n/a
Class 'JI'	n/a	0.0662	n/a	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A'	n/a	0.0676	n/a	n/a
Class 'C'	n/a	0.0713	n/a	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	n/a	0.0745	n/a	n/a
Class 'A M'	0.0342	0.0395	0.0245	0.0109
Class 'A M F'	0.3333	0.3333	0.3032	0.2933
Class 'C'	n/a	0.0785	n/a	n/a
Class 'JI'	n/a	0.0706	n/a	n/a

M&G (Lux) Global Macro Bond Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	24.10.22	23.01.23
Pay date	28.04.22	21.07.22	27.10.22	26.01.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0530	0.0756	0.0851	0.0926
Class 'A-H'	0.0385	0.0504	0.0529	0.0628
Class 'B'	0.0404	0.0577	0.0648	0.0704
Class 'B-H'	0.0350	0.0456	0.0478	0.0567
Class 'C'	0.0563	0.0805	0.0907	0.0988
Class 'C-H'	0.0415	0.0543	0.0571	0.0679
Class 'JI-H'	0.0401	0.0525	0.0552	0.0656
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A'	0.0403	0.0533	0.0569	0.0676
Class 'C-H'	0.0413	0.0549	0.0592	0.0705
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	0.0402	0.0583	0.0674	0.0738
Class 'C-H'	0.0420	0.0551	0.0588	0.0702
Class 'CI'	0.0400	0.0585	0.0677	0.0739
Class 'CI-H'	0.0417	0.0548	0.0587	0.0699
Class 'JI-H'	0.0410	0.0538	0.0576	0.0687

Notes to the financial statements

M&G (Lux) Global Macro Bond Fund				
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.0591	0.0793	0.0837	0.0995
Class 'C'	0.0485	0.0651	0.0688	0.0820
Class 'JI'	0.0415	0.0557	0.0589	0.0702

M&G (Lux) Global Maxima Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	0.2795
Class 'C'	0.2847
Class 'CI'	0.2850
Singapore dollar	**SGD**
Class 'A'	0.2788
Class 'C'	0.2840
Swiss franc	**CHF**
Class 'A'	0.2627
Class 'C'	0.2677
US dollar	**USD**
Class 'A'	0.2798
Class 'C'	0.2852
Class 'CI'	0.2853

M&G (Lux) Global Sustain Paris Aligned Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	0.3851
Class 'C'	0.4463

Notes to the financial statements

M&G (Lux) Global Sustain Paris Aligned Fund	
US dollar	**USD**
Class 'A'	0.3175
Class 'C'	0.3506

M&G (Lux) Global Themes Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	0.2430
Class 'C'	0.2490
Class 'CI'	0.2445
Swiss franc	**CHF**
Class 'A'	0.2150
Class 'C'	0.2202
Class 'CI'	0.2203
US dollar	**USD**
Class 'A'	0.2355
Class 'C'	0.2413
Class 'CI'	0.2415

M&G (Lux) Income Allocation Fund					
Distribution timetable					
Period to	31.03.22	30.04.22	31.05.22	30.06.22	30.06.22
Ex dividend date	25.04.22	23.05.22	20.06.22	18.07.22	11.08.22
Pay date	28.04.22	27.05.22	23.06.22	21.07.22	18.08.22
Distribution rate per share class					
Euro	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0445	0.0248	0.0247	0.0234	n/a
Class 'A Q'	0.0928	n/a	n/a	0.0236	0.0499
Class 'B Q'	0.0911	n/a	n/a	0.0230	0.0489
Class 'C'	0.0457	0.0258	0.0256	0.0243	n/a
Class 'C Q'	0.0950	n/a	n/a	0.0245	0.0518
Class 'ZI'	0.0478	0.0271	0.0270	0.0256	n/a

Notes to the financial statements

M&G (Lux) Income Allocation Fund					
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H'	0.0470	0.0264	0.0263	0.0249	n/a
Class 'C-H'	0.0485	0.0273	0.0273	0.0259	n/a
South African rand	**ZAR**	**ZAR**	**ZAR**	**ZAR**	**ZAR**
Class 'A-H F1'	1.5150	1.5150	1.5150	1.5150	n/a
Class 'X-H F1'	1.5112	1.5112	1.5112	1.5112	n/a
US dollar	**USD**	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	0.0500	0.0270	0.0269	0.0255	n/a
Class 'A-H F'	0.7760	0.7760	0.7760	0.7760	n/a
Class 'C-H'	0.0491	0.0279	0.0279	0.0265	n/a
Class 'X-H'	0.0336	0.0355	0.0478	0.0222	n/a
Class 'X-H F'	0.7667	0.7667	0.7667	0.7667	n/a

M&G (Lux) Income Allocation Fund				
Distribution timetable				
Period to	31.07.22	31.08.22	30.09.22	31.10.22
Ex dividend date	22.08.22	20.09.22	24.10.22	21.11.22
Pay date	25.08.22	23.09.22	27.10.22	24.11.22
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0242	0.0237	0.0223	0.0232
Class 'A Q'	n/a	n/a	0.0708	n/a
Class 'B Q'	n/a	n/a	0.0692	n/a
Class 'C'	0.0252	0.0246	0.0233	0.0242
Class 'C Q'	n/a	n/a	0.0736	n/a
Class 'ZI'	0.0266	0.0260	0.0245	0.0255
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H'	0.0259	0.0253	0.0239	0.0249
Class 'C-H'	0.0269	0.0263	0.0249	0.0260
South African rand	**ZAR**	**ZAR**	**ZAR**	**ZAR**
Class 'A-H F1'	1.5150	1.5150	1.5150	1.5150
Class 'X-H F1'	1.5112	1.5112	1.5112	1.5112

Notes to the financial statements

M&G (Lux) Income Allocation Fund				
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	0.0265	0.0259	0.0246	0.0256
Class 'A-H F'	0.7760	0.7760	0.7760	0.7760
Class 'C-H'	0.0275	0.0269	0.0255	0.0266
Class 'X-H'	0.0224	0.0365	0.0332	0.0231
Class 'X-H F'	0.7667	0.7667	0.7667	0.7667

M&G (Lux) Income Allocation Fund				
Distribution timetable				
Period to	30.11.22	31.12.22	31.01.23	28.02.23
Ex dividend date	19.12.22	23.01.23	20.02.23	20.03.23
Pay date	22.12.22	26.01.23	23.02.23	23.03.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0240	0.0235	0.0241	0.0239
Class 'A Q'	n/a	0.0712	n/a	n/a
Class 'B Q'	n/a	0.0695	n/a	n/a
Class 'C'	0.0250	0.0245	0.0252	0.0249
Class 'C Q'	n/a	0.0743	n/a	n/a
Class 'ZI'	0.0264	0.0259	0.0266	0.0264
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H'	0.0258	0.0254	0.0261	0.0258
Class 'C-H'	0.0269	0.0265	0.0272	0.0270
South African rand	**ZAR**	**ZAR**	**ZAR**	**ZAR**
Class 'A-H F1'	1.5150	1.5150	1.2186	1.2186
Class 'X-H F1'	1.5112	1.5112	1.2026	1.2026
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	0.0266	0.0261	0.0268	0.0266
Class 'A-H F'	0.7760	0.7760	0.6259	0.6259
Class 'C-H'	0.0276	0.0272	0.0280	0.0278
Class 'X-H'	0.0289	0.0205	0.0300	0.0310
Class 'X-H F'	0.7667	0.7667	0.6120	0.6120

Notes to the financial statements

M&G (Lux) Japan Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Japanese yen	**JPY**
Class 'CI'	30.5029
Sterling	**GBP**
Class 'C'	0.2478
Class 'CI'	0.2481

M&G (Lux) Japan Smaller Companies Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Japanese yen	**JPY**
Class 'CI'	32.4894

M&G (Lux) Multi Asset 2023 Fund	
Distribution timetable	
Period to	13.12.22
Ex dividend date	14.12.22
Pay date	19.12.22
Distribution rate per share class	
Euro	**EUR**
Class 'P'	0.2500

M&G (Lux) North American Dividend Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	24.10.22	23.01.23
Pay date	28.04.22	21.07.22	27.10.22	26.01.23

Notes to the financial statements

M&G (Lux) North American Dividend Fund				
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.1650	0.0857	0.0914	0.0836
Class 'C'	0.1874	0.0977	0.1041	0.0956
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	0.0692	0.0366	0.0402	0.0370
Class 'CI'	0.0693	0.0366	0.0402	0.0371
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.1435	0.0700	0.0700	0.0700
Class 'C'	0.1587	0.0775	0.0777	0.0779
Class 'CI'	0.0663	0.0324	0.0324	0.0325

M&G (Lux) Optimal Income Fund				
Distribution timetable				
Period to	31.03.22	30.04.22	31.05.22	30.06.22
Ex dividend date	25.04.22	23.05.22	20.06.22	18.07.22
Pay date	28.04.22	27.05.22	23.06.22	21.07.22
Distribution rate per share class				
Australian dollar	**AUD**	**AUD**	**AUD**	**AUD**
Class 'A-H M'	0.0274	0.0285	0.0329	0.0273
Class 'C-H M'	0.0279	0.0289	0.0334	0.0277
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.1169	n/a	n/a	n/a
Class 'B'	0.1150	n/a	n/a	n/a
Class 'C'	0.1189	n/a	n/a	n/a
Class 'CI'	0.1226	n/a	n/a	n/a
Class 'J'	0.1211	n/a	n/a	n/a
Class 'JI'	0.1214	n/a	n/a	n/a
Hong Kong dollar	**HKD**	**HKD**	**HKD**	**HKD**
Class 'A-H M'	0.2839	0.3031	0.3382	0.2914
Class 'C-H M'	0.2876	0.3078	0.3436	0.2967
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H M'	0.0288	0.0304	0.0345	0.0292
Class 'A-H M F1'	0.3300	0.3300	0.3300	0.3300
Class 'J-H M'	0.0289	0.0307	0.0347	0.0295
Class 'JI-H M'	0.0283	0.0300	0.0339	0.0288

Notes to the financial statements

M&G (Lux) Optimal Income Fund				
South African rand	**ZAR**	**ZAR**	**ZAR**	**ZAR**
Class 'A-H M F2'	1.1057	1.1057	1.1057	1.1057
Class 'X-H M F2'	1.1026	1.1026	1.1026	1.1026
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'A-H'	0.1210	n/a	n/a	n/a
Class 'C-H'	0.1253	n/a	n/a	n/a
Class 'CI-H'	0.1248	n/a	n/a	n/a
Class 'J-H'	0.1249	n/a	n/a	n/a
Class 'JI-H'	0.1248	n/a	n/a	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	0.1163	n/a	n/a	n/a
Class 'C-H'	0.1183	n/a	n/a	n/a
Class 'J-H'	0.1187	n/a	n/a	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	0.1230	n/a	n/a	n/a
Class 'A-H M'	0.0291	0.0310	0.0332	0.0299
Class 'A-H M F'	0.5346	0.5346	0.5346	0.5346
Class 'A-H M F1'	0.3298	0.3298	0.3298	0.3298
Class 'C-H'	0.1251	n/a	n/a	n/a
Class 'C-H M'	n/a	n/a	n/a	n/a
Class 'CI-H'	0.1260	n/a	n/a	n/a
Class 'J-H'	0.1257	n/a	n/a	n/a
Class 'J-H M'	0.0291	0.0310	0.0333	0.0299
Class 'JI-H'	0.1248	n/a	n/a	n/a
Class 'JI-H M'	0.0291	0.0310	0.0332	0.0299
Class 'X-H M'	0.0281	0.0300	0.0321	0.0288
Class 'X-H M F'	0.4784	0.4784	0.4784	0.4784

M&G (Lux) Optimal Income Fund				
Distribution timetable				
Period to	31.07.22	31.08.22	30.09.22	31.10.22
Ex dividend date	22.08.22	20.09.22	24.10.22	21.11.22
Pay date	25.08.22	23.09.22	27.10.22	24.11.22

Notes to the financial statements

M&G (Lux) Optimal Income Fund				
Distribution rate per share class				
Australian dollar	**AUD**	**AUD**	**AUD**	**AUD**
Class 'A-H M'	0.0285	0.0307	0.0285	0.0307
Class 'C-H M'	0.0290	0.0312	0.0290	0.0312
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	n/a	n/a	0.1751	n/a
Class 'B'	n/a	n/a	0.1717	n/a
Class 'C'	n/a	n/a	0.1784	n/a
Class 'CI'	n/a	n/a	0.1841	n/a
Class 'J'	n/a	n/a	0.1819	n/a
Class 'JI'	n/a	n/a	0.1822	n/a
Hong Kong dollar	**HKD**	**HKD**	**HKD**	**HKD**
Class 'A-H M'	0.2961	0.3241	0.2954	0.3179
Class 'C-H M'	0.3007	0.3290	0.3005	0.3239
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H M'	0.0300	0.0322	0.0299	0.0328
Class 'A-H M F1'	0.3300	0.3300	0.3300	0.3300
Class 'J-H M'	0.0302	0.0325	0.0302	0.0331
Class 'JI-H M'	0.0295	0.0318	0.0296	0.0323
South African rand	**ZAR**	**ZAR**	**ZAR**	**ZAR**
Class 'A-H M F2'	1.1057	1.1057	1.1057	1.1057
Class 'X-H M F2'	1.1026	1.1026	1.1026	1.1026
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'A-H'	n/a	n/a	0.1810	n/a
Class 'C-H'	n/a	n/a	0.1880	n/a
Class 'CI-H'	n/a	n/a	0.1872	n/a
Class 'J-H'	n/a	n/a	0.1872	n/a
Class 'JI-H'	n/a	n/a	0.1874	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	n/a	n/a	0.1723	n/a
Class 'C-H'	n/a	n/a	0.1756	n/a
Class 'J-H'	n/a	n/a	0.1763	n/a

Notes to the financial statements

M&G (Lux) Optimal Income Fund				
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	n/a	n/a	0.1870	n/a
Class 'A-H M'	0.0297	0.0320	0.0304	0.0322
Class 'A-H M F'	0.5346	0.5346	0.5346	0.5346
Class 'A-H M F1'	0.3298	0.3298	0.3298	0.3298
Class 'C-H'	n/a	n/a	0.1906	n/a
Class 'C-H M'	n/a	n/a	n/a	n/a
Class 'CI-H'	n/a	n/a	0.1923	n/a
Class 'J-H'	n/a	n/a	0.1917	n/a
Class 'J-H M'	0.0297	0.0321	0.0304	0.0324
Class 'JI-H'	n/a	n/a	0.1906	n/a
Class 'JI-H M'	0.0297	0.0321	0.0304	0.0323
Class 'X-H M'	0.0287	0.0308	0.0293	0.0310
Class 'X-H M F'	0.4784	0.4784	0.4784	0.4784

M&G (Lux) Optimal Income Fund				
Distribution timetable				
Period to	30.11.22	31.12.22	31.01.23	28.02.23
Ex dividend date	19.12.22	23.01.23	20.02.23	20.03.23
Pay date	22.12.22	26.01.23	23.02.23	23.03.23
Distribution rate per share class				
Australian dollar	**AUD**	**AUD**	**AUD**	**AUD**
Class 'A-H M'	0.0292	0.0304	0.0366	0.0324
Class 'C-H M'	0.0297	0.0310	0.0374	0.0331
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	n/a	n/a	n/a	n/a
Class 'B'	n/a	n/a	n/a	n/a
Class 'C'	n/a	n/a	n/a	n/a
Class 'CI'	n/a	n/a	n/a	n/a
Class 'J'	n/a	n/a	n/a	n/a
Class 'JI'	n/a	n/a	n/a	n/a
Hong Kong dollar	**HKD**	**HKD**	**HKD**	**HKD**
Class 'A-H M'	0.2980	0.3201	0.3761	0.3406
Class 'C-H M'	0.3029	0.3259	0.3830	0.3474

Notes to the financial statements

M&G (Lux) Optimal Income Fund				
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H M'	0.0305	0.0324	0.0382	0.0341
Class 'A-H M F1'	0.3300	0.3300	0.2829	0.2829
Class 'J-H M'	0.0309	0.0327	0.0386	0.0346
Class 'JI-H M'	0.0302	0.0320	0.0377	0.0338
South African rand	**ZAR**	**ZAR**	**ZAR**	**ZAR**
Class 'A-H M F2'	1.1057	1.1057	0.9305	0.9305
Class 'X-H M F2'	1.1026	1.1026	0.9176	0.9176
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'A-H'	n/a	n/a	n/a	n/a
Class 'C-H'	n/a	n/a	n/a	n/a
Class 'CI-H'	n/a	n/a	n/a	n/a
Class 'J-H'	n/a	n/a	n/a	n/a
Class 'JI-H'	n/a	n/a	n/a	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	n/a	n/a	n/a	n/a
Class 'C-H'	n/a	n/a	n/a	n/a
Class 'J-H'	n/a	n/a	n/a	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	n/a	n/a	n/a	n/a
Class 'A-H M'	0.0302	0.0333	0.0397	0.0354
Class 'A-H M F'	0.5346	0.5346	0.4490	0.4490
Class 'A-H M F1'	0.3298	0.3298	0.2831	0.2831
Class 'C-H'	n/a	n/a	n/a	n/a
Class 'C-H M'	0.0183	0.0364	0.0431	0.0386
Class 'CI-H'	n/a	n/a	n/a	n/a
Class 'J-H'	n/a	n/a	n/a	n/a
Class 'J-H M'	0.0302	0.0335	0.0400	0.0356
Class 'JI-H'	n/a	n/a	n/a	n/a
Class 'JI-H M'	0.0303	0.0334	0.0400	0.0355
Class 'X-H M'	0.0290	0.0320	0.0382	0.0339
Class 'X-H M F'	0.4784	0.4784	0.3970	0.3970

Notes to the financial statements

M&G (Lux) Positive Impact Fund	
Distribution timetable	
Period to	31.03.22
Ex dividend date	25.04.22
Pay date	28.04.22
Distribution rate per share class	
Euro	**EUR**
Class 'A'	0.1545
Class 'C'	0.1589
Sterling	**GBP**
Class 'C'	0.1510
Class 'L'	0.1230
Swiss franc	**CHF**
Class 'A'	0.1401
Class 'C'	0.1441
US dollar	**USD**
Class 'A'	0.1509
Class 'C'	0.1552
Class 'L'	0.1251

M&G (Lux) Short Dated Corporate Bond Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	24.10.22	23.01.23
Pay date	28.04.22	21.07.22	27.10.22	26.01.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0114	0.0238	0.0406	0.0585
Class 'C'	0.0116	0.0244	0.0415	0.0598
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	0.0130	0.0277	0.0475	0.0686
Class 'C-H'	0.0134	0.0283	0.0485	0.0703

Notes to the financial statements

M&G (Lux) Sustainable Allocation Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	17.10.22	23.01.23
Pay date	28.04.22	21.07.22	20.10.22	26.01.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A'	0.0654	0.1093	0.0672	0.0759
Class 'B'	0.0644	0.1075	0.0659	0.0744
Class 'C'	0.0672	0.1128	0.0694	0.0787
Class 'CI'	0.0674	0.1129	0.0697	0.0783
Singapore dollar	**SGD**	**SGD**	**SGD**	**SGD**
Class 'A-H'	0.0680	0.1150	0.0728	0.0812
Class 'C-H'	0.0703	0.1187	0.0751	0.0844
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	0.0652	0.1086	0.0668	0.0738
Class 'C-H'	0.0672	0.1123	0.0691	0.0768
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A-H'	0.0687	0.1168	0.0738	0.0824
Class 'C-H'	0.0707	0.1207	0.0767	0.0852

M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	24.10.22	23.01.23
Pay date	28.04.22	21.07.22	27.10.22	26.01.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	0.1053	0.0935	0.0986	0.0991
Class 'C-H'	0.1075	0.0960	0.1016	0.1024
Class 'CI-H'	0.1080	0.0962	0.1016	0.1025
Class 'LI-H'	0.1086	0.0969	0.1023	0.1032
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C'	0.1050	0.1048	0.1204	0.1119
Class 'C-H'	0.1095	0.0979	0.1052	0.1068

Notes to the financial statements

M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund				
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.1096	0.1010	0.1059	0.1068
Class 'C'	0.1122	0.1036	0.1089	0.1098
Class 'CI'	0.1124	0.1037	0.1090	0.1101
Class 'LI'	0.1130	0.1044	0.1098	0.1111

M&G (Lux) Sustainable Global High Yield Bond Fund				
Distribution timetable				
Period to	31.03.22	30.04.22	31.05.22	30.06.22
Ex dividend date	25.04.22	23.05.22	20.06.22	18.07.22
Pay date	28.04.22	27.05.22	23.06.22	21.07.22
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	0.0848	n/a	n/a	0.0763
Class 'C-H'	0.0871	n/a	n/a	0.0784
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C-H'	0.0898	n/a	n/a	0.0811
Class 'L-H'	0.0926	n/a	n/a	0.0835
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	0.0842	n/a	n/a	0.0753
Class 'C-H'	0.0865	n/a	n/a	0.0775
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	0.0930	n/a	n/a	0.0865
Class 'A M'	0.0286	0.0276	0.0317	0.0270
Class 'C'	0.0955	n/a	n/a	0.0890

M&G (Lux) Sustainable Global High Yield Bond Fund				
Distribution timetable				
Period to	31.07.22	31.08.22	30.09.22	31.10.22
Ex dividend date	22.08.22	20.09.22	24.10.22	21.11.22
Pay date	25.08.22	23.09.22	27.10.22	24.11.22
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	n/a	n/a	0.0838	n/a
Class 'C-H'	n/a	n/a	0.0864	n/a

Notes to the financial statements

M&G (Lux) Sustainable Global High Yield Bond Fund				
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C-H'	n/a	n/a	0.0906	n/a
Class 'L-H'	n/a	n/a	0.0934	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	n/a	n/a	0.0825	n/a
Class 'C-H'	n/a	n/a	0.0851	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	n/a	n/a	0.0943	n/a
Class 'A M'	0.0290	0.0339	0.0310	0.0347
Class 'C'	n/a	n/a	0.0971	n/a

M&G (Lux) Sustainable Global High Yield Bond Fund				
Distribution timetable				
Period to	30.11.22	31.12.22	31.01.23	28.02.23
Ex dividend date	19.12.22	23.01.23	20.02.23	20.03.23
Pay date	22.12.22	26.01.23	23.02.23	23.03.23
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'A-H'	n/a	0.0942	n/a	n/a
Class 'C-H'	n/a	0.0972	n/a	n/a
Sterling	**GBP**	**GBP**	**GBP**	**GBP**
Class 'C-H'	n/a	0.1024	n/a	n/a
Class 'L-H'	n/a	0.1057	n/a	n/a
Swiss franc	**CHF**	**CHF**	**CHF**	**CHF**
Class 'A-H'	n/a	0.0909	n/a	n/a
Class 'C-H'	n/a	0.0941	n/a	n/a
US dollar	**USD**	**USD**	**USD**	**USD**
Class 'A'	n/a	0.1061	n/a	n/a
Class 'A M'	0.0355	0.0356	0.0366	0.0344
Class 'C'	n/a	0.1094	n/a	n/a

M&G (Lux) Sustainable Macro Flexible Credit Fund				
Distribution timetable				
Period to	31.03.22	30.06.22	30.09.22	31.12.22
Ex dividend date	25.04.22	18.07.22	24.10.22	23.01.23
Pay date	28.04.22	21.07.22	27.10.22	26.01.23

Notes to the financial statements

M&G (Lux) Sustainable Macro Flexible Credit Fund				
Distribution rate per share class				
Euro	**EUR**	**EUR**	**EUR**	**EUR**
Class 'P'	0.0130	0.0439	0.0664	0.0735
Class 'U'	0.0130	0.0439	0.0659	0.0732
Class 'UI'	0.0130	0.0439	0.0659	0.0732

M&G (Lux) Sustainable Optimal Income Bond Fund		
Distribution timetable		
Period to	31.03.22	30.09.22
Ex dividend date	25.04.22	24.10.22
Pay date	28.04.22	27.10.22
Distribution rate per share class		
Euro	**EUR**	**EUR**
Class 'A'	0.0461	0.1299
Class 'C'	0.0462	0.1301
Class 'CI'	0.0459	0.1299
Swiss franc	**CHF**	**CHF**
Class 'A-H'	0.0460	0.1278
Class 'C-H'	0.0461	0.1281
US dollar	**USD**	**USD**
Class 'A-H'	0.0459	0.1306
Class 'A-H M'	0.0459	0.1304
Class 'C-H'	0.0459	0.1311
Class 'CI-H'	0.0459	0.1311

14 Events occurred during the year

The M&G (Lux) Emerging Markets Income Opportunities Fund merged into M&G (Lux) Income Allocation Fund on 6 May 2022 and is no longer available for investment. The merged sub-fund has been formally terminated on 6 May 2022, all its outstanding assets and liabilities have been transferred to the absorbing sub-fund.

Merging sub-fund	Receiving sub-fund	Conversion Ratio	NAV per share at date of merger
M&G (Lux) Emerging Markets Income Opportunities Fund	**M&G (Lux) Income Allocation Fund**		**M&G (Lux) Emerging Markets Income Opportunities Fund**
Euro	**Euro**		
Class 'A-H' Accumulation	Class 'A' Accumulation	0.997550792	10.9521
Class 'A-H' Distribution	Class 'A' Distribution	0.890432065	8.5045

Notes to the financial statements

Merging sub-fund	Receiving sub-fund	Conversion Ratio	NAV per share at date of merger
US dollar	**US dollar**		
Class 'A' Accumulation	Class 'A-H' Accumulation	1.031737817	11.6081
Class 'A' Distribution	Class 'A-H' Distribution	0.920295330	9.0258
Class 'A M' Distribution	Class 'A-H' Distribution	0.919420997	9.0173

The M&G (Lux) Conservative Allocation Fund merged into M&G (Lux) Sustainable Allocation Fund on 21 October 2022 and is no longer available for investment. The merged sub-fund has been formally terminated on 21 October 2022, all its outstanding assets and liabilities have been transferred to the absorbing sub-fund.

Merging sub-fund	Receiving sub-fund	Conversion Ratio	NAV per share at date of merger
M&G (Lux) Conservative Allocation Fund	**M&G (Lux) Sustainable Allocation Fund**		**M&G (Lux) Conservative Allocation Fund**
Euro	**Euro**		
Class 'A' Accumulation	Class 'A' Accumulation	0.822674534	8.2817
Class 'A' Distribution	Class 'A' Distribution	0.846496427	7.6409
Class 'B' Accumulation	Class 'B' Accumulation	0.819368758	8.0893
Class 'B' Distribution	Class 'B' Distribution	0.842724675	7.4614
Class 'C' Accumulation	Class 'C' Accumulation	0.825567228	8.6053
Class 'C' Distribution	Class 'C' Distribution	0.849183097	7.9419
Class 'CI' Accumulation	Class 'CI' Accumulation	0.825593198	8.6220
Class 'JI' Accumulation	Class 'JI' Accumulation	0.960145541	9.0776
Swiss franc	**Swiss franc**		
Class 'A-H' Accumulation	Class 'A-H' Accumulation	0.820919914	8.2885
Class 'C-H' Accumulation	Class 'C-H' Accumulation	0.822546254	8.6026
US dollar	**US dollar**		
Class 'A-H' Accumulation	Class 'A-H' Accumulation	0.845637039	9.3771
Class 'A-H' Distribution	Class 'A-H' Distribution	0.874185565	8.6540
Class 'C-H' Accumulation	Class 'C-H' Accumulation	0.846246879	9.7260

Following sub-funds changed SFDR classification from Article 6 to Article 8 on 10 November 2022.

- M&G (Lux) Asian Fund
- M&G (Lux) Global Convertibles Fund
- M&G (Lux) Global Emerging Markets Fund
- M&G (Lux) Japan Fund
- M&G (Lux) Japan Smaller Companies Fund
- M&G (Lux) North American Dividend Fund

Notes to the financial statements

- M&G (Lux) North American Value Fund

Following sub-fund changed SFDR classification from Article 8 to Article 9 on 22 November 2022.

- M&G (Lux) Sustainable Multi Asset Growth Fund

Following sub-fund changed SFDR classification from Article 6 to Article 8 on 22 December 2022.

- M&G (Lux) European Strategic Value Fund

Nadya Wells was appointed an Independent Director on 6 February 2023.

Following sub-funds changed SFDR classification from Article 6 to Article 8 on 16 February 2023.

- M&G (Lux) Dynamic Allocation Fund
- M&G (Lux) Euro Corporate Bond Fund
- M&G (Lux) European Inflation Linked Corporate Bond Fund
- M&G (Lux) Global Macro Bond Fund
- M&G (Lux) Income Allocation Fund
- M&G (Lux) Short Dated Corporate Bond Fund

The M&G (Lux) Better Health Solutions Fund was launched on 2 March 2023.

15 Subsequent events

Following sub-fund changed SFDR classification from Article 6 to Article 8 on 7 April 2023.

- M&G (Lux) Global Dividend Fund

The M&G (Lux) Global Enhanced Equity Premia Fund sub-fund will be liquidated on 27 July 2023.

Predetermined yield of fixed share classes offered by M&G (Lux) Optimal Income Fund and M&G (Lux) Emerging Markets Bond Fund will be increased in August.

Risk management policies (unaudited)

The sub-funds' investment activities expose them to various types of risk which are associated with the financial instruments and markets in which they invest.

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

Market risk

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

In measuring and monitoring market risk, the global exposure of a sub-fund is calculated on a daily basis, using a 'commitment' approach or 'Value at Risk' (VaR) approach.

'Commitment' approach

The commitment approach is applied for sub-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 sub-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 sub-funds is measured and monitored using a commitment (adjusted notional) methodology.

'Value at Risk' approach

There are two forms of VaR approaches, absolute and relative, which are described below:

Absolute VaR

The absolute VaR is used where a sub-fund seeks to estimate the potential loss it could experience in a month (20 trading days) under normal market conditions. The requirement is that, 99% of the time, such sub-fund's worst outcome is no worse than a 20% decline in NAV.

Relative VaR

The relative VaR of a sub-fund is expressed as a multiple of a benchmark or reference portfolio and cannot, under the same circumstances as above, exceed twice the VaR of the relevant benchmark or reference portfolio.

The table below shows sub-funds using the 'commitment' approach and those using the VaR approach:

Sub-fund	Global exposure approach
M&G (Lux) Absolute Return Bond Fund	Absolute VaR
M&G (Lux) Asian Fund	Commitment
M&G (Lux) Better Health Solutions Fund	Commitment
M&G (Lux) Climate Solutions Fund	Commitment
M&G (Lux) Conservative Allocation Fund	Absolute VaR
M&G (Lux) Diversity and Inclusion Fund	Commitment
M&G (Lux) Dynamic Allocation Fund	Absolute VaR
M&G (Lux) Emerging Markets Bond Fund[a]	Relative VaR
M&G (Lux) Emerging Markets Hard Currency Bond Fund[a]	Relative VaR
M&G (Lux) Emerging Markets Income Opportunities Fund	Absolute VaR
M&G (Lux) Episode Macro Fund	Absolute VaR
M&G (Lux) Euro Corporate Bond Fund[a]	Relative VaR
M&G (Lux) European Inflation Linked Corporate Bond Fund	Absolute VaR
M&G (Lux) European Strategic Value Fund	Commitment
M&G (Lux) Global Convertibles Fund[a]	Relative VaR
M&G (Lux) Global Corporate Bond Fund[a]	Relative VaR
M&G (Lux) Global Dividend Fund	Commitment
M&G (Lux) Global Emerging Markets Fund	Commitment
M&G (Lux) Global Enhanced Equity Premia Fund	Commitment
M&G (Lux) Global Floating Rate High Yield Fund[a]	Relative VaR

Risk management policies (unaudited)

Sub-fund	Global exposure approach
M&G (Lux) Global High Yield Bond Fund[a]	Relative VaR
M&G (Lux) Global Listed Infrastructure Fund	Commitment
M&G (Lux) Global Macro Bond Fund	Absolute VaR
M&G (Lux) Global Maxima Fund	Commitment
M&G (Lux) Global Sustain Paris Aligned Fund	Commitment
M&G (Lux) Global Target Return Fund	Absolute VaR
M&G (Lux) Global Themes Fund	Commitment
M&G (Lux) Income Allocation Fund	Absolute VaR
M&G (Lux) Japan Fund	Commitment
M&G (Lux) Japan Smaller Companies Fund	Commitment
M&G (Lux) Multi Asset 2023 Fund	Commitment
M&G (Lux) North American Dividend Fund	Commitment
M&G (Lux) North American Value Fund	Commitment
M&G (Lux) Optimal Income Fund	Absolute VaR
M&G (Lux) Pan European Sustain Paris Aligned Fund	Commitment
M&G (Lux) Positive Impact Fund	Commitment
M&G (Lux) Short Dated Corporate Bond Fund	Absolute VaR
M&G (Lux) Sustainable Allocation Fund	Absolute VaR
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund[a]	Relative VaR
M&G (Lux) Sustainable Global High Yield Bond Fund[a]	Relative VaR
M&G (Lux) Sustainable Macro Flexible Credit Fund	Absolute VaR
M&G (Lux) Sustainable Multi Asset Growth Fund	Absolute VaR
M&G (Lux) Sustainable Optimal Income Bond Fund	Absolute VaR

[a] The sub-fund changed from using absolute VaR to relative VaR with effect 31 January 2023.

VaR limit

When VaR is calculated as a percentage of the net asset value to assess a sub-fund's market risk, it may not be greater than the VaR limit set for the sub-fund.

For the financial year from 1 April 2022 to 31 March 2023 the tables below show the VaR limits set for the sub-funds, together with the lowest, highest and average VaR calculated for each sub-fund during the year.

	Absolute VaR			
For the year to 31 March 2023	VaR limit %	Lowest %	Highest %	Average %
M&G (Lux) Absolute Return Bond Fund	3.33	1.04	2.26	1.82
M&G (Lux) Conservative Allocation Fund[a]	8.00	2.60	6.27	3.74
M&G (Lux) Dynamic Allocation Fund	18.00	2.24	5.23	4.03
M&G (Lux) Emerging Markets Bond Fund[b]	20.00	4.51	7.88	6.41
M&G (Lux) Emerging Markets Hard Currency Bond Fund[b]	20.00	6.16	10.07	8.15
M&G (Lux) Emerging Markets Income Opportunities Fund[c]	20.00	0.45	7.26	5.19
M&G (Lux) Episode Macro Fund	20.00	0.12	3.97	2.18
M&G (Lux) Euro Corporate Bond Fund[b]	15.00	2.23	5.00	3.76
M&G (Lux) European Inflation Linked Corporate Bond Fund	15.00	1.20	2.37	1.87
M&G (Lux) Global Convertibles Fund[b]	15.00	7.47	11.54	9.95
M&G (Lux) Global Corporate Bond Fund[b]	15.00	2.46	4.96	3.78
M&G (Lux) Global Floating Rate High Yield Fund[b]	20.00	2.82	5.97	4.85

Risk management policies (unaudited)

For the year to 31 March 2023	Absolute VaR			
	VaR limit %	Lowest %	Highest %	Average %
M&G (Lux) Global High Yield Bond Fund [b]	20.00	2.35	5.49	4.30
M&G (Lux) Global Macro Bond Fund	20.00	2.99	7.66	5.70
M&G (Lux) Global Target Return Fund	6.00	0.96	2.26	1.41
M&G (Lux) Income Allocation Fund	16.00	3.86	5.54	4.83
M&G (Lux) Optimal Income Fund	20.00	2.34	6.51	4.81
M&G (Lux) Short Dated Corporate Bond Fund	11.00	0.73	2.04	1.41
M&G (Lux) Sustainable Allocation Fund	18.00	4.01	13.15	5.46
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund [b]	20.00	2.02	4.82	3.44
M&G (Lux) Sustainable Global High Yield Bond Fund [b]	20.00	2.23	5.20	3.98
M&G (Lux) Sustainable Macro Flexible Credit Fund	10.00	1.06	3.31	2.34
M&G (Lux) Sustainable Multi Asset Growth Fund	17.00	6.50	9.11	8.06
M&G (Lux) Sustainable Optimal Income Bond Fund	20.00	2.12	5.43	4.11

[a] Data is up to 21 October 2022 when M&G (Lux) Conservative Allocation Fund was merged into M&G (Lux) Sustainable Allocation Fund.
[b] Data reflects the absolute VaR up to 30 January 2023.
[c] Data is up to 6 May 2022 when the M&G (Lux) Emerging Markets Income Opportunities Fund was merged into M&G (Lux) Income Allocation Fund.

For the year to 31 March 2023	Relative VaR			
	VaR limit %	Lowest %	Highest %	Average %
M&G (Lux) Emerging Markets Bond Fund [a]	200.00	124.86	133.94	128.55
M&G (Lux) Emerging Markets Hard Currency Bond Fund [a]	200.00	128.08	142.69	133.34
M&G (Lux) Euro Corporate Bond Fund [a]	200.00	98.97	112.29	103.50
M&G (Lux) Global Convertibles Fund [a]	200.00	76.18	100.43	94.52
M&G (Lux) Global Corporate Bond Fund [a]	200.00	102.73	109.26	105.44
M&G (Lux) Global Floating Rate High Yield Fund [a]	200.00	91.95	106.40	98.79
M&G (Lux) Global High Yield Bond Fund [a]	200.00	96.15	102.62	99.50
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund [a]	200.00	108.64	116.00	112.91
M&G (Lux) Sustainable Global High Yield Bond Fund [a]	200.00	89.61	104.18	94.70

[a] Data reflects the relative VaR from 31 January 2023.

For the sub-funds utilising relative VaR calculation please find details of the benchmark or reference portfolio in the table below:

Benchmark(s) or reference portfolio(s) by sub-fund
M&G (Lux) Emerging Markets Bond Fund
1/3 JPM EMBI Global Diversified Index
1/3 JPM CEMBI Broad Diversified Index
1/3 JPM GBI-EM Global Diversified Index
M&G (Lux) Emerging Markets Hard Currency Bond Fund
JPM EMBI Global Diversified Index

Risk management policies (unaudited)

Benchmark(s) or reference portfolio(s) by sub-fund
M&G (Lux) Euro Corporate Bond Fund
ICE BofAML Euro Corporate Index
M&G (Lux) Global Convertibles Fund
Refinitiv Global Focus Convertible Bond Index
M&G (Lux) Global Corporate Bond Fund
Bloomberg Global Aggregate Corporate Index USD Hedged
M&G (Lux) Global Floating Rate High Yield Fund
ICE BofAML Global Floating Rate High Yield Index (3% constrained) USD Hedged
M&G (Lux) Global High Yield Bond Fund
ICE BofAML Global High Yield Index USD Hedged
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund
JPM CEMBI Broad Diversified Index
M&G (Lux) Sustainable Global High Yield Bond Fund
Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index

Leverage risk

Derivatives can be used by the sub-fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, positive or negative movement in markets may have a more significant effect on the net asset value of the sub-fund.

Derivatives can also be employed to hedge exposure. Consequently, higher derivative usage will not necessarily imply a higher level of risk for the sub-fund.

For sub-funds using VaR approaches we disclose the level of this leverage employed during the financial reporting year on a 'sum of notionals' basis. The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial year from 1 April 2022 to 31 March 2023 are shown in the table below. Please note that not all the sub-funds were in existence for the whole financial year and therefore the data is only calculated from their respective launch dates (see footnote below table).

For the year to 31 March 2023[a]	Lowest	Highest	Average
M&G (Lux) Absolute Return Bond Fund (€'000)	34,419	69,564	42,276
M&G (Lux) Absolute Return Bond Fund (%)	151	257	169
M&G (Lux) Asian Fund (US$'000)	115	610	356
M&G (Lux) Asian Fund (%)	0	1	1
M&G (Lux) Better Health Solutions Fund (US$'000)	n/a	n/a	n/a
M&G (Lux) Better Health Solutions Fund (%)	n/a	n/a	n/a
M&G (Lux) Climate Solutions Fund (US$'000)	n/a	27	2
M&G (Lux) Climate Solutions Fund (%)	n/a	0	0
M&G (Lux) Conservative Allocation Fund (€'000)[b]	301,883	953,189	474,796
M&G (Lux) Conservative Allocation Fund (%)[b]	65	157	85
M&G (Lux) Diversity and Inclusion Fund (US$'000)	n/a	n/a	n/a
M&G (Lux) Diversity and Inclusion Fund (%)	n/a	n/a	n/a
M&G (Lux) Dynamic Allocation Fund (€'000)	2,036,253	4,379,068	2,523,531
M&G (Lux) Dynamic Allocation Fund (%)	91	184	111
M&G (Lux) Emerging Markets Bond Fund (US$'000)	752,971	2,909,915	1,078,925
M&G (Lux) Emerging Markets Bond Fund (%)	28	100	38
M&G (Lux) Emerging Markets Hard Currency Bond Fund (US$'000)	29,012	147,691	48,276
M&G (Lux) Emerging Markets Hard Currency Bond Fund (%)	34	140	50

Risk management policies (unaudited)

For the year to 31 March 2023[a]	Lowest	Highest	Average
M&G (Lux) Emerging Markets Income Opportunities Fund (US$'000)[c]	3,384	10,967	5,819
M&G (Lux) Emerging Markets Income Opportunities Fund (%)[c]	18	451	59
M&G (Lux) Episode Macro Fund (US$'000)	531,265	1,839,921	828,929
M&G (Lux) Episode Macro Fund (%)	140	557	228
M&G (Lux) Euro Corporate Bond Fund (€'000)	36,770	136,882	66,710
M&G (Lux) Euro Corporate Bond Fund (%)	19	61	32
M&G (Lux) European Inflation Linked Corporate Bond Fund (€'000)	120,475	271,374	161,395
M&G (Lux) European Inflation Linked Corporate Bond Fund (%)	97	186	111
M&G (Lux) European Strategic Value Fund (€'000)	n/a	94,778	25,599
M&G (Lux) European Strategic Value Fund (%)	n/a	8	2
M&G (Lux) Global Convertibles Fund (US$'000)	344,169	819,367	443,279
M&G (Lux) Global Convertibles Fund (%)	134	245	159
M&G (Lux) Global Corporate Bond Fund (US$'000)	354,497	1,363,631	526,784
M&G (Lux) Global Corporate Bond Fund (%)	168	506	235
M&G (Lux) Global Dividend Fund (US$'000)	n/a	n/a	n/a
M&G (Lux) Global Dividend Fund (%)	n/a	n/a	n/a
M&G (Lux) Global Emerging Markets Fund (US$'000)	3,178	14,188	5,399
M&G (Lux) Global Emerging Markets Fund (%)	3	12	5

For the year to 31 March 2023[a]	Lowest	Highest	Average
M&G (Lux) Global Enhanced Equity Premia Fund (US$'000)	n/a	78	8
M&G (Lux) Global Enhanced Equity Premia Fund (%)	n/a	2	0
M&G (Lux) Global Floating Rate High Yield Fund (US$'000)	3,071,672	11,747,446	4,522,356
M&G (Lux) Global Floating Rate High Yield Fund (%)	152	474	206
M&G (Lux) Global High Yield Bond Fund (US$'000)	78,386	297,265	110,031
M&G (Lux) Global High Yield Bond Fund (%)	125	412	169
M&G (Lux) Global Listed Infrastructure Fund (US$'000)	n/a	68,839	7,761
M&G (Lux) Global Listed Infrastructure Fund (%)	n/a	3	0
M&G (Lux) Global Macro Bond Fund (US$'000)	462,971	1,622,983	737,885
M&G (Lux) Global Macro Bond Fund (%)	78	239	111
M&G (Lux) Global Maxima Fund (US$'000)	n/a	10,343	2,419
M&G (Lux) Global Maxima Fund (%)	n/a	12	2
M&G (Lux) Global Sustain Paris Aligned Fund (US$'000)	n/a	n/a	n/a
M&G (Lux) Global Sustain Paris Aligned Fund (%)	n/a	n/a	n/a
M&G (Lux) Global Target Return Fund (€'000)	27,009	189,985	55,243
M&G (Lux) Global Target Return Fund (%)	49	304	99
M&G (Lux) Global Themes Fund (US$'000)	n/a	n/a	n/a
M&G (Lux) Global Themes Fund (%)	n/a	n/a	n/a
M&G (Lux) Income Allocation Fund (€'000)	1,090,006	3,691,047	1,422,049
M&G (Lux) Income Allocation Fund (%)	92	303	123

Risk management policies (unaudited)

For the year to 31 March 2023[a]	Lowest	Highest	Average
M&G (Lux) Japan Fund (¥'000)	65,478	1,726,842	405,058
M&G (Lux) Japan Fund (%)	1	16	4
M&G (Lux) Japan Smaller Companies Fund (¥'000)	152,970	1,794,541	349,837
M&G (Lux) Japan Smaller Companies Fund (%)	4	29	8
M&G (Lux) Multi Asset 2023 Fund (€'000)	n/a	n/a	n/a
M&G (Lux) Multi Asset 2023 Fund (%)	n/a	n/a	n/a
M&G (Lux) North American Dividend Fund (US$'000)	19,783	85,494	33,912
M&G (Lux) North American Dividend Fund (%)	6	23	10
M&G (Lux) North American Value Fund (US$'000)	8214	31,610	12,324
M&G (Lux) North American Value Fund (%)	11	43	17
M&G (Lux) Optimal Income Fund (€'000)	13,492,135	27,884,149	16,631,797
M&G (Lux) Optimal Income Fund (%)	138	270	166
M&G (Lux) Pan European Sustain Paris Aligned Fund (€'000)	n/a	n/a	n/a
M&G (Lux) Pan European Sustain Paris Aligned Fund (%)	n/a	n/a	n/a
M&G (Lux) Positive Impact Fund (US$'000)	22	133	44
M&G (Lux) Positive Impact Fund (%)	0	0	0
M&G (Lux) Short Dated Corporate Bond Fund (€'000)	277,725	896,944	362,343
M&G (Lux) Short Dated Corporate Bond Fund (%)	82	238	104
M&G (Lux) Sustainable Allocation Fund (€'000)	39,736	780,245	182,805
M&G (Lux) Sustainable Allocation Fund (%)	50	299	72
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund (US$'000)	10,717	53,521	18,858
M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund (%)	35	147	55
M&G (Lux) Sustainable Global High Yield Bond Fund (US$'000)	88,411	274,864	123,219
M&G (Lux) Sustainable Global High Yield Bond Fund (%)	76	240	101
M&G (Lux) Sustainable Macro Flexible Credit Fund (€'000)	734	42,639	8,429
M&G (Lux) Sustainable Macro Flexible Credit Fund (%)	1	32	8
M&G (Lux) Sustainable Multi Asset Growth Fund (€'000)	105,639	404,050	148,277
M&G (Lux) Sustainable Multi Asset Growth Fund (%)	60	238	89
M&G (Lux) Sustainable Optimal Income Bond Fund (€'000)	40,663	129,237	56,394
M&G (Lux) Sustainable Optimal Income Bond Fund (%)	88	271	125

[a] Global Exposure Stated as Gross Notional. Expressed as a % over sub-fund Valuation.

[b] Leverage data is up to 21 October 2022 when M&G (Lux) Conservative Allocation Fund was merged into M&G (Lux) Sustainable Allocation Fund.

[c] Leverage data is up to 6 May 2022 when the M&G (Lux) Emerging Markets Income Opportunities Fund was merged into M&G (Lux) Income Allocation Fund.

Other regulatory disclosures (unaudited)

Remuneration

The below disclosure is made in accordance with Undertakings for Collective Investments 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 Luxembourg S.A. (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 here: 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 Luxembourg S.A. 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 'Identified Staff' of M&G Luxembourg S.A are those who could have a material impact on the risk profile of M&G Luxembourg S.A. 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. 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 calendar year 1 January 2022 to 31 December 2022.

	Fixed Remuneration €'000	Variable Remuneration €'000	Total €'000	Beneficiaries
Senior Management	1,713	1,887	3,600	11
Other Identified Staff	5,163	27,963	33,126	39
Staff Member	17,036	10,155	27,191	172
Total	**23,912**	**40,005**	**63,917**	**222**

Securities Financing Transactions Regulation (SFTR)

Under the Securities Financing Transactions Regulation ('SFTR'), the Fund is required to disclose certain information in relation to its use of Securities Financing Transactions ('SFTs') including Total Return Swaps ('TRSs'). SFTs include various types of transactions, however, the Fund is currently only permitted to enter into TRSs, and only in relation to the following sub-funds:

- M&G (Lux) Absolute Return Bond Fund
- M&G (Lux) Dynamic Allocation Fund
- M&G (Lux) Emerging Markets Bond Fund
- M&G (Lux) Emerging Markets Hard Currency Bond Fund
- M&G (Lux) Episode Macro Fund
- M&G (Lux) Euro Corporate Bond Fund
- M&G (Lux) European Inflation Linked Corporate Bond Fund

Other regulatory disclosures (unaudited)

- M&G (Lux) Global Corporate Bond Fund
- M&G (Lux) Global Floating Rate High Yield Fund
- M&G (Lux) Global High Yield Bond Fund
- M&G (Lux) Global Macro Bond Fund
- M&G (Lux) Global Target Return Fund
- M&G (Lux) Income Allocation Fund
- M&G (Lux) Optimal Income Fund
- M&G (Lux) Short Dated Corporate Bond Fund
- M&G (Lux) Sustainable Allocation Fund
- M&G (Lux) Sustainable Global High Yield Bond Fund
- M&G (Lux) Sustainable Multi Asset Growth Fund
- M&G (Lux) Sustainable Optimal Income Bond Fund

During the year from 1 April 2022 to 31 March 2023 no sub-funds entered into Total Return Swaps.

Swiss investor information

For sub-funds registered in Switzerland FINMA requires to disclose the Total Expense Ratio (TER).

For these sub-funds the TERs are disclosed in the 'Total Expense Ratio' table that can be found in each sub-fund's financial highlights section.

Annex 1: Sustainable Finance Disclosure Regulation (unaudited)

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Asian Fund
Legal Entity Identifier: 549300ORHSL7KYFQYW10

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ Yes ● ● ☒ No

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 57.78% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum,

have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

  Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

  The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	6.01 ESG Score	98.17%	96.03%
Portfolio weighted average ESG score for the Investment Universe	5.99 ESG Score	98.90%	49.66%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating

practices of the investments purchased by the Fund.

Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?
For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
TAIWAN SEMICONDUCTOR MANUFACTURING	Manufacturing	6.43%	TW
SAMSUNG ELECTRONICS LTD	Manufacturing	4.69%	KR
TENCENT HOLDINGS LTD	Information and communication	3.59%	CN
HOUSING DEVELOPMENT FINANCE CORPOR	Financial and insurance activities	2.89%	IN
AIA GROUP LTD	Financial and insurance activities	2.52%	HK
BHP GROUP LTD	Mining and quarrying	2.50%	AU
ALIBABA GROUP HOLDING LTD	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.44%	CN
JD.COM CLASS A INC	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.43%	CN
DBS GROUP HOLDINGS LTD	Financial and insurance activities	2.32%	SG
PACIFIC BASIN SHIPPING LTD	Transportation and storage	2.12%	HK
AMCOR CDI PLC	Manufacturing	2.12%	AU
COSCO SHIPPING PORTS LTD	Transportation and storage	2.01%	HK
CHINA CONSTRUCTION BANK CORP H	Financial and insurance activities	2.01%	CN
BANK MANDIRI (PERSERO)	Financial and insurance activities	1.82%	ID
NATIONAL AUSTRALIA BANK LTD	Financial and insurance activities	1.73%	AU

What was the proportion of sustainability-related investments?

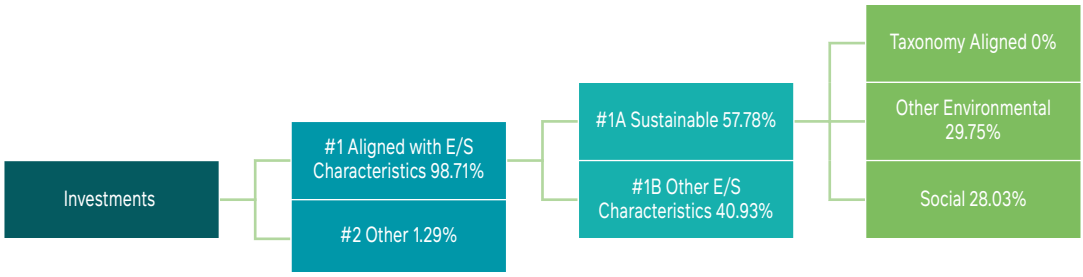
In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 98.71% of NAV as at 31 March 2023. This comprised 57.78% of NAV in sustainable investments, and the remaining 40.93% of NAV in investments with other environmental and or social characteristics.

The Fund did not commit to invest in investments aligned to the EU Taxonomy, 0% were aligned to the EU Taxonomy, while 29.75% related to investments with other environmental characteristics, and 28.03% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**
  The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	32.13%
Financial and insurance activities	27.00%
Information and communication	10.25%
Wholesale and retail trade; repair of motor vehicles and motorcycles	8.33%
Transportation and storage	6.84%
Mining and quarrying	4.61%
Construction	4.24%
Accommodation and food service activities	2.07%
Other	1.66%
Electricity, gas, steam and air conditioning supply	1.46%
Real estate activities	1.03%
Professional, scientific and technical activities	0.36%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

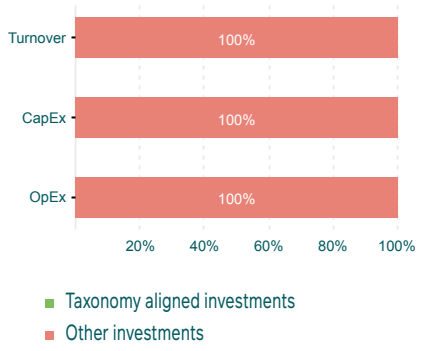
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

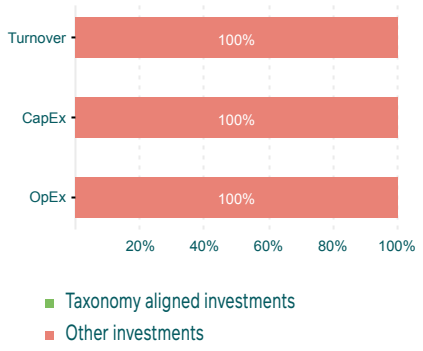
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0%
Share of Enabling Activities	0%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- **What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 29.75%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?

The share of socially sustainable investments was 28.03%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash and money market funds as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach and it maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Better Health Solutions Fund
Legal Entity Identifier: 254900DW7OX08JEEMU71

Sustainable investment objective

Did this financial product have a sustainable investment objective?

● ● [x] **Yes** ● ● [ ] **No**

- [ ] It made **sustainable investments with an environmental objective**:
  - [ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - [ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [x] It made **sustainable investments with a social objective**: 98.02%
- [ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of % of sustainable investments
  - [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - [ ] with a social objective
- [ ] It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The Fund invested in companies that deliver solutions to address better health and well-being, in line with its sustainable investment objective. The strength of the fund's performance against this objective is evaluated in the sustainability indicators section below.

The alignment percentage indicated in the graphic below shows the allocation between sustainable investments made in pursuit of the sustainable investment objective and "Other" investments.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

Please see the below table for an overview of the fund's performance relative to its sustainability indicators.

The 'Eligibility' figure is a measure of the percentage of fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

The majority of portfolio companies (representing 88.39% of the fund's Net Asset Value) aligned most closely with SDG 3: Good health and well-being, as might be expected from an investment fund focusing on better health and well-being outcomes. However, it is worth noting that many investee companies make secondary contributions to other SDGs. For example, Zoetis specialises in animal health products and services, with offerings ranging from vaccines to feed additives. Humans need sufficient nutrition to live productive lives and fend off disease, and the need for food will only increase as the population grows. Sustainable livestock production offers a safe and affordable option for these nutritional requirements. Zoetis therefore also contributes towards SDG 2: Zero hunger.

Another investee company, Amerisafe, specialises in workers' compensation insurance for small and medium-sized companies in hazardous industries. Amerisafe also provides safety training and advice to policyholders to promote safe, secure workplaces. The company therefore contributes to both SDG 3: Good health and well-being, and SDG 8: Decent work and economic growth.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG2 Zero Hunger	0%	100%	98.05%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG3 Good Health and Wellbeing	88.39%	100%	98.05%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG6 Clean Water and Sanitation	0%	100%	98.05%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG11 Sustainable Cities	0%	100%	98.05%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG12 Responsible Consumption and Production	0%	100%	98.05%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG8 Decent Work and Economic Growth	6.45%	100%	98.05%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they were required to pass a series of tests, including:
  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
NOVO NORDISK CLASS B	Manufacturing	8.22%	DK
THERMO FISHER SCIENTIFIC INC	Manufacturing	6.16%	US
UNITEDHEALTH GROUP INC	Financial and insurance activities	4.91%	US
QUEST DIAGNOSTICS INC	Human health and social work activities	4.89%	US
ASTRAZENECA PLC	Manufacturing	4.88%	GB
BECTON DICKINSON	Manufacturing	4.85%	US
COLGATE-PALMOLIVE	Manufacturing	4.04%	US
AUTOLIV INC	Manufacturing	3.74%	SE
GLAXOSMITHKLINE	Manufacturing	3.71%	GB
SHIMANO INC	Manufacturing	3.51%	JP
ALCON AG	Manufacturing	3.50%	CH
AMERISAFE INC	Financial and insurance activities	3.41%	US
ECOLAB INC	Construction	3.23%	US
INTERTEK GROUP PLC	Professional, scientific and technical activities	3.21%	GB
VEEVA SYSTEMS INC CLASS A	Information and communication	3.11%	US

What was the proportion of sustainability-related investments?

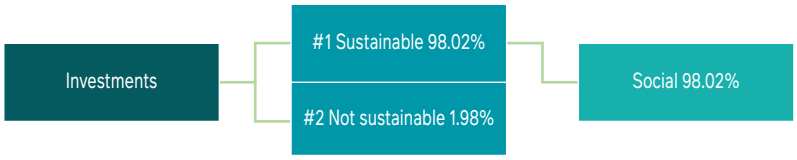
In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 80% of the Fund to be invested in social sustainable investments, in pursuit of the social sustainable investment objective.

As of 31 March 2023, 98.02% of the Net Asset Value of the Fund was in sustainable investments, which is above the minimum commitment of 80%. The Fund did not commit to invest in investments aligned to the EU Taxonomy. 0% of the sustainable investments were aligned to the EU Taxonomy, 0% related to investments with environmental objectives and 98.02% related to investments with a social objective.

1.98 % of the Fund was composed of "not sustainable" investments.

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**
  The graphic below provides an overview of the asset allocation.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	68.69%
Financial and insurance activities	8.32%
Human health and social work activities	7.37%
Professional, scientific and technical activities	4.52%
Construction	3.23%
Information and communication	3.11%
Other	1.95%
Administrative and support service activities	1.12%
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.94%
Arts, entertainment and recreation	0.74%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

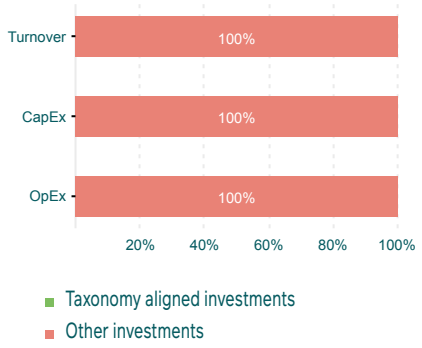
☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

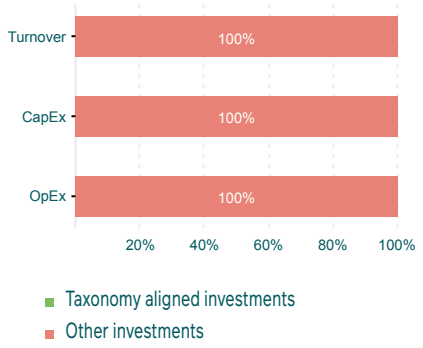
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0%
Share of enabling activities	0%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 0%. This compares to a minimum percentage commitment of 0% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of sustainable investments with a social objective was 98.02%. This compares to a minimum percentage commitment of 80% stated in the Fund's precontractual disclosure.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held varying levels of cash, near cash and money market funds, and derivatives as "Other" investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below:

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund has invested in companies that deliver solutions to address better health and well-being. Its compliance with the same is reported in the sustainability indicators above. ESG engagements are also a key focus for the fund in order to help investment companies improve their impact and sustainability standards, to support the fund's sustainable investment objective.

We carried out a series of engagements on the theme of bioethics. With several investee companies creating innovative solutions at the frontiers of biological and medical technology, there is a risk that their products could be used for nefarious purposes.

For example, genetic sequencers have been linked to the monitoring of the Uyghur population in China. In this case, we engaged with two investee genetic sequencing companies, Illumina and Thermo Fisher Scientific to find out what action they have taken to reduce this risk. While we were satisfied with both companies' responses, and their broader policies and procedures around the misuse of equipment, we will continue to monitor the issue and engage more widely where we see the potential for negative bioethical impacts.

How did this financial product perform compared to the reference sustainable benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How did the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**

- **How did this financial product perform compared with the broad market index?**
  N/A

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Climate Solutions Fund
Legal Entity Identifier: 254900TXGEMG2PHLBX89

Sustainable investment objective

Did this financial product have a sustainable investment objective?

● ● [x] **Yes** ● ● [ ] **No**

[x] It made **sustainable investments with an environmental objective**: 96.73%

- [x] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [x] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

[ ] It made **sustainable investments with a social objective**:

[ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

- [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [ ] with a social objective

[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The Fund invested in companies that deliver solutions to the challenge of climate change, in line with its sustainable investment objective. The strength of the fund's performance against this objective is evaluated in the sustainability indicators section below.

The alignment percentage indicated in the graphic below shows the allocation between sustainable investments made in pursuit of the sustainable investment objective and "Other" investments.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

Please see the below table for an overview of the fund's performance relative to its sustainability indicators.

The 'Eligibility' figure is a measure of the percentage of fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

It is worth highlighting that 20.81% of the fund's Net Asset Value (NAV) is invested in companies providing solutions to the climate challenge, and 87.1% of NAV is invested in those that have a net positive effect on carbon emissions (their products and services help to remove a larger amount of emissions than those emitted in providing these products or services). The fund also has 53.85% of NAV invested in companies that have comitted to setting or have set science-based targets. These are emission reduction targets considered to be in line with the temperature reductions necessary to limit the worst effects of global warming, in line with the goals of the Paris Agreement.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG7 -Affordable and Clean Energy	17.44%	97.92%	98.41%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG9 Industry, Innovation and Infrastructure	32.95%	97.92%	98.41%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG11 Sustainable Cities	10.54%	97.92%	98.41%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG15 Life on Land	3.08%	97.92%	98.41%
Percentage (%) of NAV with ratified Science Based Targets (SBTs)	44.64%	97.92%	61.81%
% of CO2 emissions with Science Based Targets (SBTs)	71.90% tCO2e	96.33%	59.09%
Percentage (%) of NAV committed to Science Based Targets (SBTs)	9.21%	97.92%	61.81%
Percentage (%) of NAV participating in Task Force on Climate Related Financial Disclosures (TCFD) reporting	67.42%	97.92%	95.33%
Percentage (%) of NAV in investments with net positive carbon emissions (i.e. investments that are considered to remove more potential carbon emissions than they produce)	87.10%	97.92%	98.41%
Percentage (%) of NAV in Climate Solutions companies	20.81%	96.33%	100%
Total renewable energy produced (megawatt hours)	3335.53 Mwh	97.92%	12.48%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG12 Responsible Consumption and Production	20.24%	97.92%	98.41%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they were required to pass a series of tests, including:
  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
REPUBLIC SERVICES INC	Water supply; sewerage, waste management and remediation activities	5.40%	US
ON SEMICONDUCTOR CORP	Manufacturing	4.81%	US
BRAMBLES LTD	Manufacturing	4.35%	AE
JOHNSON CONTROLS INTERNATIONAL PLC	Manufacturing	4.32%	IE
LINDE PLC	Manufacturing	4.05%	GB
DARLING INGREDIENTS INC	Manufacturing	4.03%	US
SCHNEIDER ELECTRIC	Manufacturing	4.00%	FR
UNIFIRST CORP	Other service activities	3.60%	US
EQUINIX REIT INC	Information and communication	3.44%	US
BALL CORP	Manufacturing	3.36%	US
AUTODESK INC	Information and communication	3.15%	US
EDP RENOVAVEIS SA	Electricity, gas, steam and air conditioning supply	3.01%	ES
WEYERHAEUSER REIT	Manufacturing	3.00%	US
BROOKFIELD RENEWABLE SUBORDINATE V	Electricity, gas, steam and air conditioning supply	3.00%	CA
ANSYS INC	Information and communication	2.94%	US

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 80% of the Fund to be invested in environmental sustainable investments, in pursuit of the environmental sustainable investment objective.

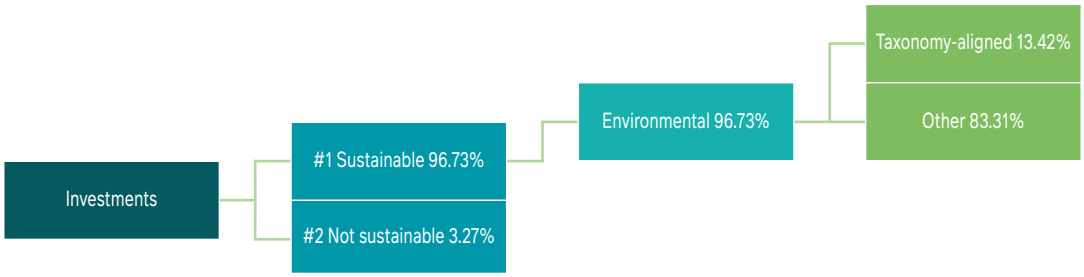
As of 31 March 2023, 96.73% of the Net Asset Value of the Fund was in sustainable investments, which is above the minimum commitment of 80%. Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 13.42% of the sustainable investments were aligned to the EU Taxonomy. 83.31% related to investments with other environmental objectives.

3.27 % of the Fund was composed of "not sustainable" investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	60.06%
Electricity, gas, steam and air conditioning supply	15.18%
Information and communication	9.54%
Water supply; sewerage, waste management and remediation activities	5.75%
Other	3.67%
Other service activities	3.60%
Wholesale and retail trade; repair of motor vehicles and motorcycles	2.20%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 13.42% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

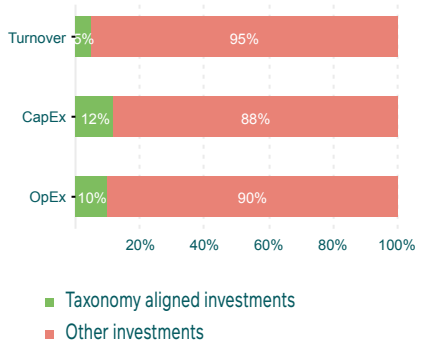
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

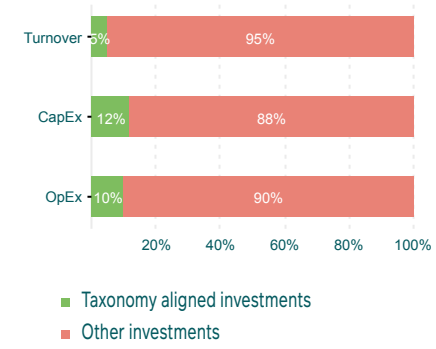
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional activities was 0% and in enabling activities was 2.05% over the period. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Transitional	0%
Enabling	2.05%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 83.31%.

This compares to a minimum percentage commitment of 80% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of sustainable investments with a social objective was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held varying levels of cash and derivatives as "Other" investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below:

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

What actions have been taken to attain the sustainable investment objective during the reference period?
The Fund has invested in companies that deliver solutions to the challenge of climate change. Its compliance with the same is reported in the sustainability indicators above. ESG engagements are also a key focus for the fund in order to help investment companies improve their impact and sustainability standards, to support the fund's sustainable investment objective.

We met with US engineering simulation software developer Ansys to encourage it to establish emission reduction targets and commit to the Science Based Targets initiative (SBTi), to disclose the drivers of its scope 1 and 2 footprint and provide a timeframe for scope 3 disclosures. We also asked for disclosure of the company's 'scope 4' (avoided) emissions, to better allow us to quantify the real world impacts it was delivering. Similarly, we engaged with Ball Corporation to discuss their decarbonisation plans and push for increased ambition around scope 3 emissions.

The company is currently working to align its scope 3 emission reduction target with a temperature increase of no more than 1.5°C above pre-industrial times (rather than 2°C). We held meetings with US waste specialist Republic Services to encourage the company's recycling efforts, including a request for more granular recycling data.

How did this financial product perform compared to the reference sustainable benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How did the reference benchmark differ from a broad market index?**
  N/A.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**
  N/A.

- **How did this financial product perform compared with the reference benchmark?**
  N/A.

- **How did this financial product perform compared with the broad market index?**
  N/A.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Diversity and Inclusion Fund
Legal Entity Identifier: 254900YIO1LVTNZ3KH90

Sustainable investment objective

Did this financial product have a sustainable investment objective?

● ● [x] **Yes** ● ● [ ] **No**

- [ ] It made **sustainable investments with an environmental objective**:
  - [ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - [ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [x] It made **sustainable investments with a social objective**: 96.38%
- [ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
  - [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - [ ] with a social objective
- [ ] It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The Fund invested in companies that have demonstrable gender and/or ethnic diversity, or which provide solutions empowering social equality, in line with its sustainable investment objective. The strength of the fund's performance against this objective is evaluated in the sustainability indicators section below.

The alignment percentage indicated in the graphic below shows the allocation between sustainable investments made in pursuit of the sustainable investment objective and "Other" investments.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

Please see the below table for an overview of the fund's performance relative to its sustainability indicators.

The 'Eligibility' figure is a measure of the percentage of fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Encouragingly, companies representing 81.53% of the fund's Net Asset Value reported board gender diversity greater than 30%. This is a requirement for 'diversity' investee companies at the time of purchase, and we will engage with companies if the figure falls below 30%, to find out what measures will be taken to improve this in the quickest and smoothest fashion possible.

It is worth highlighting that the coverage numbers tend to be lower for indicators surrounding gender and ethnic diversity representation, and annual changes to these, due to lower data availability in this area. This data is supplied by investee companies, and although we have seen improvements in disclosure in recent years, there is more to do. Importantly, certain investee companies also operate in regions where the disclosure of workforce ethnicity information is restricted. However, where possible, we are prioritising engaging with investee companies on the theme of improving disclosure of data surrounding gender and ethnic minority representation.

Investee companies also contributed towards a range of United Nations Sustainable Development Goals (SDGs), including SDG 5: Gender equality, SDG 8: Decent work and economic growth, and SDG 9: Industry, innovation and infrastructure. However, it is worth highlighting that many companies will contribute to more than one SDG.

For example, mobile telecommunications tower company Helios Towers contributes towards SDG 9, but also SDG 3 and 4, by allowing greater access to mobile healthcare and educational services.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Year-on-Year Change of women on the board	0%	96.73%	49.12%
Year-on-Year Change of women in leadership roles	0.59%	96.73%	57.26%
Year-on-Year Change of ethnic diversity on the board	0%	96.73%	27.02%
Year-on-Year Change of ethnic diversity in leadership roles	-	96.73%	0%
Percentage (%) NAV with board gender diversity (more than 30%), as reported by the company	81.53%	98.40%	96.75%
Percentage (%) NAV with board ethnic diversity (more than 30%), as reported by the company	14.15%	98.40%	51.55%
Percentage (%) NAV considered by the Investment Manager to have leadership diversity, based on data reported by the company	-	98.40%	0%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG3 Good Health and Wellbeing	10.59%	98.40%	98.32%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG4 Quality Education	0%	98.40%	98.32%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG5 Gender Equality	4.43%	98.40%	98.32%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG8 Decent Work and Economic Growth	8.92%	98.40%	98.32%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG9 Industry, Innovation and Infrastructure	10.41%	98.40%	98.32%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG10 Reduced Inequalities	6.69%	98.40%	98.32%
Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"): SDG16 Peace, Justice and Strong Institutions	0%	98.40%	98.32%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they were required to pass a series of tests, including:
  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
QUEST DIAGNOSTICS INC	Human health and social work activities	4.66%	US
HDFC BANK ADR REPRESENTING THREE L	Financial and insurance activities	4.38%	IN
INTACT FINANCIAL CORP	Financial and insurance activities	4.00%	CA
MICROSOFT CORP	Information and communication	3.91%	US
BRAMBLES LTD	Manufacturing	3.91%	AU
COLGATE-PALMOLIVE	Manufacturing	3.73%	US
SCHNEIDER ELECTRIC	Manufacturing	3.68%	FR
VISA INC CLASS A	Financial and insurance activities	3.67%	US
UNILEVER PLC	Manufacturing	3.50%	GB
ANSYS INC	Information and communication	3.48%	US
CISCO SYSTEMS INC	Manufacturing	3.29%	US
RELX PLC	Information and communication	3.28%	GB
AIB GROUP PLC	Financial and insurance activities	3.14%	IE
COCHLEAR LTD	Manufacturing	3.11%	AU
MSA SAFETY INC	Manufacturing	3.05%	US

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 80% of the Fund to be invested in social sustainable investments, in pursuit of the social sustainable investment objective.

As of 31 March 2023, 96.38% of the Net Asset Value of the Fund was in sustainable investments, which is above the minimum commitment of 80%. None of the sustainable investments were expected to be aligned to the EU Taxonomy. 0% of the sustainable investments were aligned to the EU Taxonomy and 0% related to investments with environmental objectives, while 96.38% related to investments with a social objective.

3.62% of the Fund is comprised of "not sustainable" investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.

#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	30.55%
Information and communication	18.70%
Financial and insurance activities	18.08%
Wholesale and retail trade; repair of motor vehicles and motorcycles	12.45%
Human health and social work activities	9.01%
Other	3.27%
Construction	3.05%
Water supply; sewerage, waste management and remediation activities	2.46%
Administrative and support service activities	2.41%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

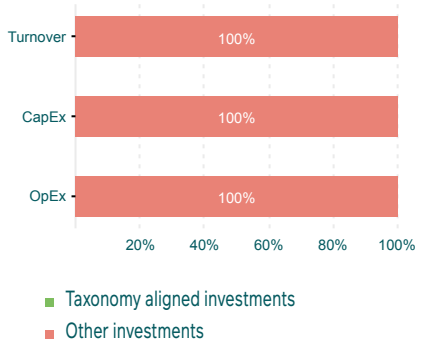
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

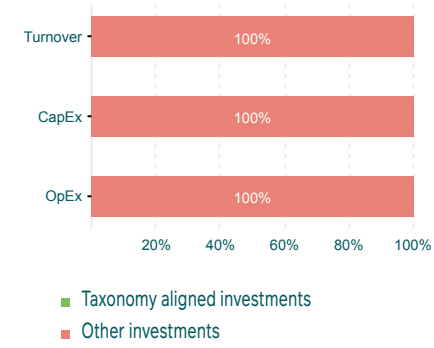
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0%
Share of enabling activities	0%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 0%. This compares to a minimum percentage commitment of 0% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?

The share of sustainable investments with a social objective was 96.38%. This compares to a minimum percentage commitment of 80% stated in the Fund's precontractual disclosure.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held varying levels of cash and derivatives as "Other" investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below:

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund has invested in companies that have demonstrable gender and/or ethnic diversity, or which provide solutions empowering social equality.

ESG engagements are also a key focus for the fund in order to help investment companies improve their impact and sustainability standards, to support the fund's sustainable investment objective. For example, we engaged with Bank of Georgia to encourage the company to provide more detailed data around the under-served people it reaches with its financial products. This will allow us to greater measure its positive impact on social inclusion. We also met with UK retailer WH Smith to discuss various elements of staff remuneration, including the financial viability of paying staff the Real Living Wage, and a pay rise the company implemented to help ease the cost of living crisis.

How did this financial product perform compared to the reference sustainable benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How did the reference benchmark differ from a broad market index?**
  N/A
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**
  N/A
- **How did this financial product perform compared with the reference benchmark?**
  N/A
- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Dynamic Allocation Fund
Legal Entity Identifier: 549300PZ80BI5Q8OS924

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 71.33% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also included assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach were met at all times during the reporting period.

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above.

For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	3.04%	DE
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	2.58%	DE
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	2.51%	FR
MEXICO (UNITED MEXICAN STATES) (GO	Public administration and defence; compulsory social security	2.24%	MX
SOUTH AFRICA (REPUBLIC OF)	Public administration and defence; compulsory social security	1.74%	ZA
MEXICO (UNITED MEXICAN STATES) (GO	Public administration and defence; compulsory social security	1.60%	MX
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	1.59%	FR
BRAZIL FEDERATIVE REPUBLIC OF (GOV	Public administration and defence; compulsory social security	1.49%	BR
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.49%	DE
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	1.48%	FR
3I INFRASTRUCTURE PLC	Financial and insurance activities	1.45%	JE
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	5.30%	DE
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	2.98%	DE
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	1.28%	FR
UK CONV GILT	Public administration and defence; compulsory social security	1.27%	GB

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 70% of the Fund to be aligned to the promoted E/S characteristics and for a minimum of 20% of the Fund to be in Sustainable Investments.

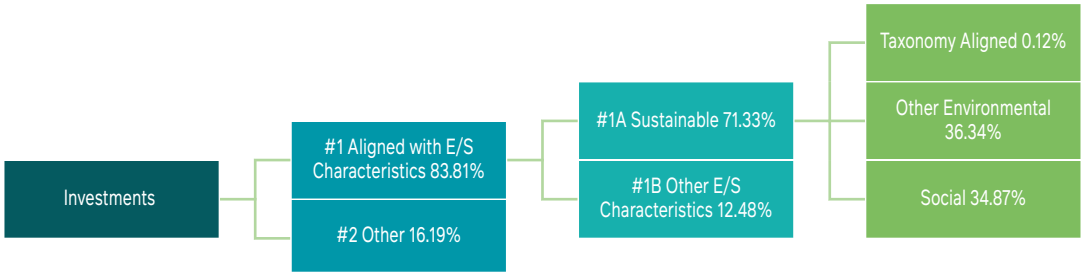
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 83.81% of NAV as at 31 March 2023. This comprised 71.33% of NAV in sustainable investments, and the remaining 12.48% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.12% were aligned to the EU Taxonomy. 36.34% related to investments with other environmental characteristics, and 34.87% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Public administration and defence; compulsory social security	39.12%
Financial and insurance activities	34.12%
Other	7.87%
Manufacturing	7.17%
Information and communication	2.51%
Mining and quarrying	2.43%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.59%
Electricity, gas, steam and air conditioning supply	0.95%
Transportation and storage	0.94%
Real estate activities	0.90%
Human health and social work activities	0.54%
Professional, scientific and technical activities	0.48%
Administrative and support service activities	0.42%
Construction	0.31%
Accommodation and food service activities	0.24%
Water supply; sewerage, waste management and remediation activities	0.20%
Activities of extraterritorial organisations and bodies	0.09%
Arts, entertainment and recreation	0.07%
Other service activities	0.02%
Education	0.01%
Agriculture, forestry and fishing	0.01%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0.12%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

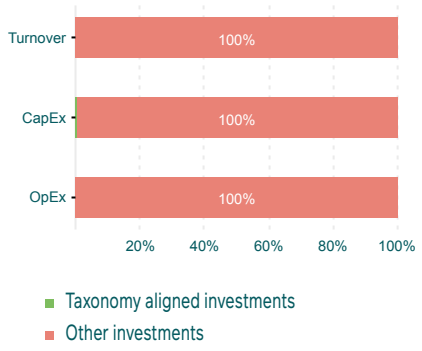
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

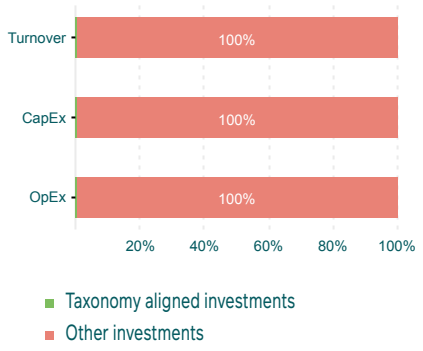
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 52.05% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional activities was 0% and in enabling activities was 0.01% over the period. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.00%
Share of Enabling Activities	0.01%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 36.34%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?

The share of socially sustainable investments was 34.87%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash, collectives, FX derivatives and similar derivatives. No safeguards were applied.

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A
- **How did this financial product perform compared with the reference benchmark?**
  N/A
- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Euro Corporate Bond Fund
Legal Entity Identifier: 549300O6WRQEB3PFIE51

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 72.06% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach were met at all times during the reporting period.

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above.

For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
BNP PARIBAS SA	Financial and insurance activities	1.21%	FR
BANK OF AMERICA CORP	Financial and insurance activities	1.06%	US
CIFCE 5X (A)	Other	1.04%	IE
BERKSHIRE HATHAWAY INC	Financial and insurance activities	0.98%	US
CRNCL 2021-14X (A)	Other	0.94%	IE
COENTREPRISE DE TRANSPORT DELECTRI	Electricity, gas, steam and air conditioning supply	0.93%	FR
GOLDMAN SACHS GROUP INC/THE	Financial and insurance activities	0.87%	US
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	0.85%	DE
SOCIETE GENERALE SA	Financial and insurance activities	0.84%	FR
DH EUROPE FINANCE II SARL	Financial and insurance activities	0.82%	LU
WAL-MART STORES INC	Wholesale and retail trade; repair of motor vehicles and motorcycles	0.81%	US
AVOCA 25X (A)	Other	0.80%	IE
JPMORGAN CHASE & CO	Financial and insurance activities	0.79%	US
METROPOLITAN LIFE GLOBAL FUNDING I	Financial and insurance activities	0.79%	US
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	0.77%	DE

What was the proportion of sustainability-related investments?

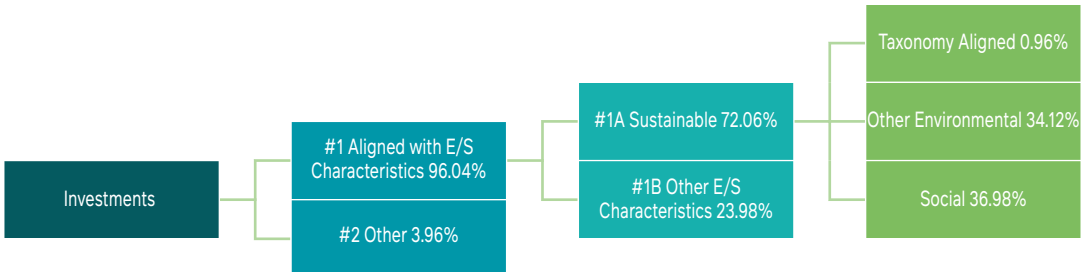
In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 96.04% of NAV as at 31 March 2023. This comprised 72.06% of NAV in sustainable investments, and the remaining 23.98% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.96% were aligned to the EU Taxonomy. 34.12%related to investments with other environmental characteristics, and 36.98% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**
  The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	62.00%
Manufacturing	7.27%
Other	6.86%
Information and communication	6.80%
Electricity, gas, steam and air conditioning supply	5.52%
Real estate activities	4.99%
Public administration and defence; compulsory social security	2.35%
Administrative and support service activities	1.42%
Professional, scientific and technical activities	0.85%
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.81%
Transportation and storage	0.52%
Accommodation and food service activities	0.27%
Human health and social work activities	0.13%
Construction	0.13%
Water supply; sewerage, waste management and remediation activities	0.07%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0.96% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☒ Yes:

☐ In fossil gas ☒ In nuclear energy

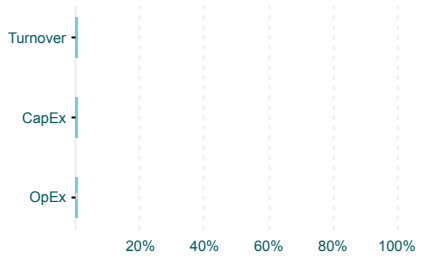
☐ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

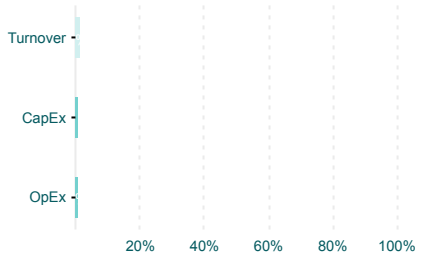
The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



Taxonomy aligned: Fossil gas
Taxonomy aligned: Nuclear energy
Taxonomy aligned: (No Fossil gas & Nuclear)
Non Taxonomy aligned
TurnoverTotal (90.22%)
CapexTotal (0.88%)
OpExTotal (1.22%)

2. Taxonomy-alignment of investments **excluding sovereign bonds***



Taxonomy aligned: Fossil gas
Taxonomy aligned: Nuclear energy
Taxonomy aligned: (No Fossil gas & Nuclear)
Non Taxonomy aligned
TurnoverTotal (1.18%)
CapexTotal (0.45%)
OpExTotal (0.62%)
This graph represents 97.54% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional activities over the period was 0.01% and in enabling activities 0.26%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.01%
Share of Enabling Activities	0.26%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 34.12%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?

The share of socially sustainable investments was 36.98%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash and money market funds, FX derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for liquidity management purposes. No minimum environmental or social safeguards were applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e., UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach. Its compliance with the same is reported in the sustainability indicators section above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) European Inflation Linked Corporate Bond Fund
Legal Entity Identifier: 549300405AQ08G7LRC37

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 76.34% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also included assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach were met at all times during the reporting period.

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above.

For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data as available, which allowed the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
GERMANY (GOVERNMENT OF)	Public administration and defence; compulsory social security	17.16%	DE
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	14.47%	DE
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	8.17%	FR
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	5.12%	FR
GERMANY (FEDERAL REPUBLIC OF)	Other	2.05%	DE
VOLKSWAGEN INTERNATIONAL FINANCE N	Financial and insurance activities	1.12%	NL
GENERAL MOTORS FINANCIAL CO INC	Financial and insurance activities	1.00%	US
NATIONWIDE BUILDING SOCIETY	Financial and insurance activities	0.97%	GB
BANK OF AMERICA CORP	Financial and insurance activities	0.93%	US
ITALY (REPUBLIC OF)	Public administration and defence; compulsory social security	0.92%	IT
WELLS FARGO & COMPANY	Financial and insurance activities	0.87%	US
TESCO PLC	Wholesale and retail trade; repair of motor vehicles and motorcycles	0.85%	GB
AA BOND CO LTD	Financial and insurance activities	0.84%	JE
ITALY (REPUBLIC OF)	Public administration and defence; compulsory social security	0.84%	IT

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

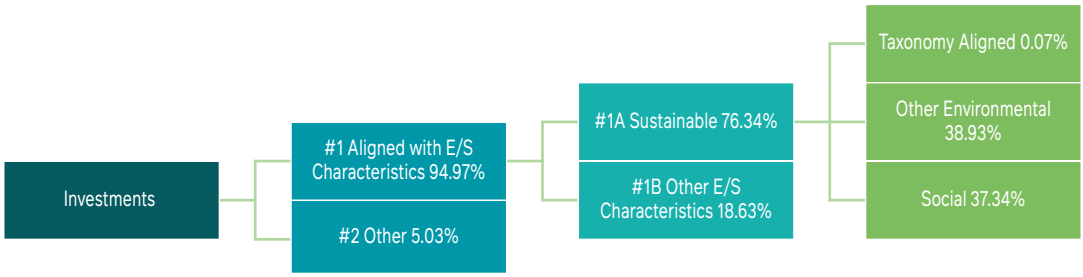
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 94.97% of NAV as at 31 March 2023. This comprised 76.34% of NAV in sustainable investments, and the remaining 18.63% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.07% were aligned to the EU Taxonomy. 38.93% related to investments with other environmental characteristics, and 37.34% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Public administration and defence; compulsory social security	47.57%
Financial and insurance activities	24.36%
Other	18.15%
Manufacturing	3.11%
Information and communication	2.13%
Transportation and storage	1.43%
Electricity, gas, steam and air conditioning supply	1.42%
Real estate activities	0.96%
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.85%
Water supply; sewerage, waste management and remediation activities	0.01%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0.07% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

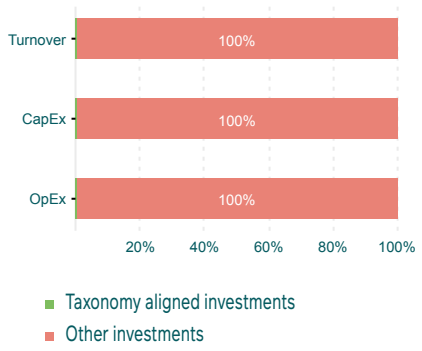
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

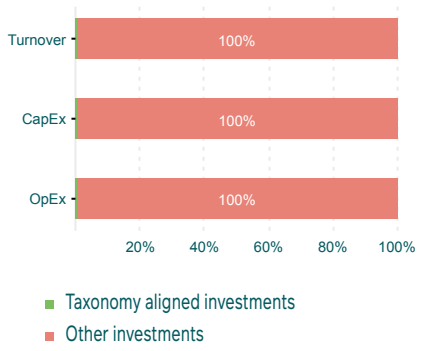
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 49.54% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What was the share of investments made in transitional and enabling activities?

The share of the Fund's investments made in transitional activities over the period was 0% and in enabling activities 0.03%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0%
Share of Enabling Activities	0.03%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 38.93%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 37.34%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held cash, near cash and money market funds, FX derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for normal liquidity purposes. No minimum environmental or social safeguards were applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e., UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?
The Fund applied an exclusion policy to achieve its Exclusionary Approach. Its compliance with the same is reported in the sustainability indicators section above.

How did this financial product perform compared to the reference benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) European Strategic Value Fund
Legal Entity Identifier: 549300F39NTG0M8EIX97

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 62.98% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was equivalent to at least an MSCI A rating.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**

The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

The Fund committed to maintain a weighted average ESG rating that is either:

1. Higher than that of the equity market as represented by its investment universe; or
2. Equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

The second of these tests was met.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	7.33 ESG Score	94.88%	97.14%
Portfolio weighted average ESG score for the Investment Universe	7.89 ESG Score	96.56%	49.41%

- **...and compared to previous periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating

practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?
For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01 April 2022 to 31 March 2023

Largest investments	Sector	% Assets	Country
TOTALENERGIES	Manufacturing	3.94%	FR
BP PLC	Manufacturing	3.60%	GB
NOVARTIS AG	Manufacturing	3.53%	CH
TESCO PLC	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.95%	GB
KONINKLIJKE AHOLD DELHAIZE NV	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.76%	NL
SHELL PLC	Mining and quarrying	2.58%	NL
UPM-KYMMENE	Manufacturing	2.47%	FI
ASTRAZENECA PLC	Manufacturing	2.21%	GB
UCB SA	Manufacturing	2.05%	BE
CARREFOUR SA	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.04%	FR
BANK OF IRELAND GROUP PLC	Financial and insurance activities	2.00%	IE
FBD HOLDINGS PLC	Financial and insurance activities	1.70%	IE
GLAXOSMITHKLINE	Manufacturing	1.69%	GB
CAIXABANK SA	Financial and insurance activities	1.62%	ES
ERICSSON CLASS B	Manufacturing	1.60%	SE

What was the proportion of sustainability-related investments?

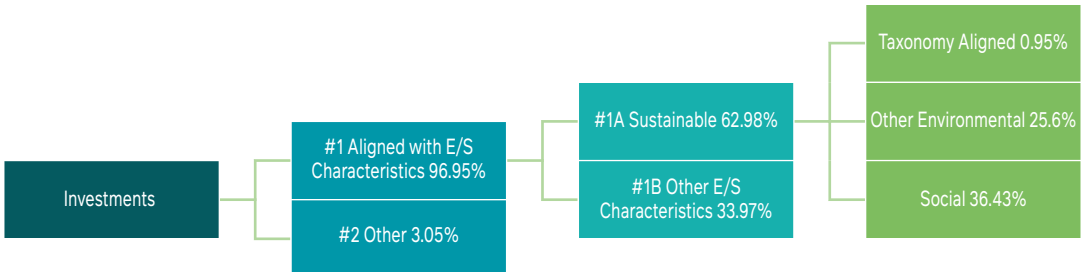
In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 0% in Sustainable Investments.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 96.95% of NAV as at 31 March 2023. This comprised 62.98% of NAV in sustainable investments, and the remaining 33.97% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.95% were aligned to the EU Taxonomy. 25.6% related to investments with other environmental characteristics, and 36.43% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**
  The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	49.58%
Financial and insurance activities	13.75%
Wholesale and retail trade; repair of motor vehicles and motorcycles	11.37%
Other	5.04%
Electricity, gas, steam and air conditioning supply	5.02%
Mining and quarrying	4.15%
Transportation and storage	3.65%
Information and communication	2.71%
Administrative and support service activities	1.59%
Human health and social work activities	1.21%
Accommodation and food service activities	1.01%
Construction	0.92%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0.95%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

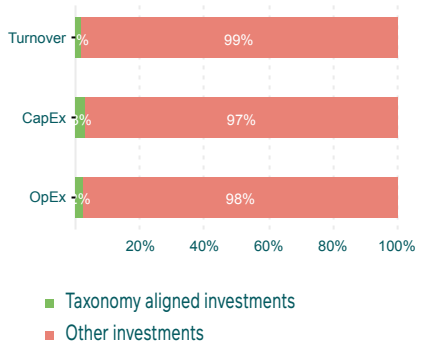
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

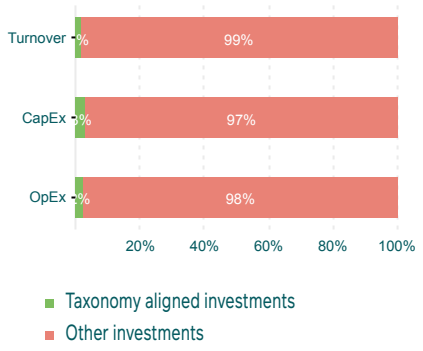
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional activities over the period was 0.18% and in enabling activities 0.50%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.18%
Share of Enabling Activities	0.50%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 25.60%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?

The share of socially sustainable investments was 36.43%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash and money market funds as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e., UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach. The Fund committed to maintain a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

The second of these tests was met. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Global Convertibles Fund
Legal Entity Identifier: 549300DZSWWWBBRWLT54

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 61.59% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**

The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	6.26 ESG Score	96.80%	92.53%
Portfolio weighted average ESG score for the Investment Universe	5.91 ESG Score	98.27%	46.28%

- **...and compared to previous periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
BOX INC	Information and communication	3.53%	US
AKAMAI TECHNOLOGIES INC	Information and communication	3.32%	UD
PRYSMIAN SPA	Manufacturing	2.92%	IT
JAZZ INVESTMENTS I LTD	Financial and insurance activities	2.58%	BM
NEXTERA ENERGY PARTNERS LP	Electricity, gas, steam and air conditioning supply	2.33%	US
CYBER ARK SOFTWARE LTD	Information and communication	2.28%	IL
CELLNEX TELECOM SA	Information and communication	2.22%	ES
QIAGEN NV	Manufacturing	2.16%	NL
HUAZHU GROUP LTD	Accommodation and food service activities	2.05%	KY
ELM BV	Financial and insurance activities	1.97%	NL
STMICROELECTRONICS NV	Manufacturing	1.94%	NL
JPMORGAN CHASE FINANCIAL COMPANY L	Financial and insurance activities	1.91%	US
BHARTI AIRTEL LTD	Information and communication	1.87%	IN
MP MATERIALS CORP	Mining and quarrying	1.84%	US
BNP PARIBAS SA	Financial and insurance activities	1.84%	FR

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

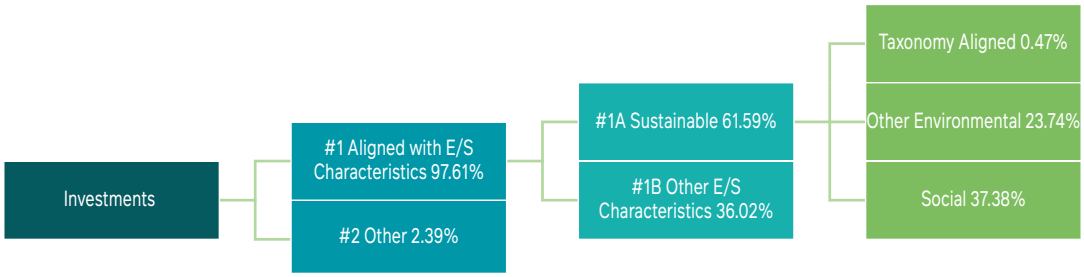
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 97.61% of NAV as at 31 March 2023. This comprised 61.59% of NAV in sustainable investments, and the remaining 36.02% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.47% were aligned to the EU Taxonomy. 23.74% related to investments with other environmental characteristics, and 37.38% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Information and communication	25.52%
Financial and insurance activities	21.43%
Manufacturing	21.42%
Wholesale and retail trade; repair of motor vehicles and motorcycles	8.22%
Electricity, gas, steam and air conditioning supply	4.94%
Professional, scientific and technical activities	3.62%
Other	2.99%
Mining and quarrying	2.38%
Accommodation and food service activities	2.17%
Transportation and storage	1.92%
Administrative and support service activities	1.79%
Real estate activities	1.41%
Arts, entertainment and recreation	1.14%
Education	0.71%
Construction	0.35%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0.47%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

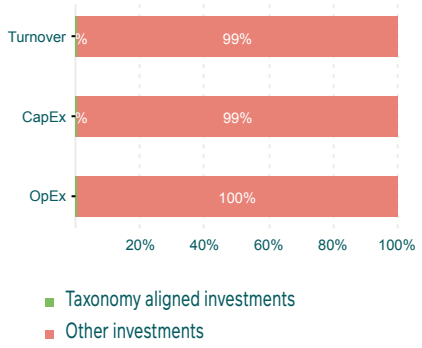
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

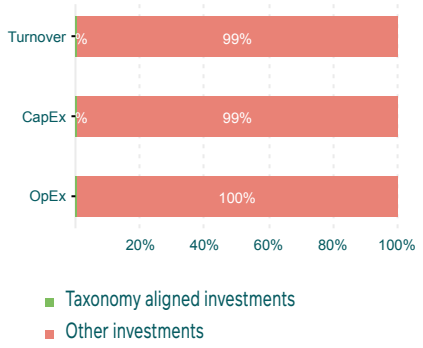
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional activities over the period was 0.01% and in enabling activities 0.07%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.01%
Share of Enabling Activities	0.07%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 23.74%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 37.38%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash, money market funds and derivatives as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e., UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach and it maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Global Dividend Fund
Legal Entity Identifier: 549300TRK90WIUZI3612

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 82.74% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**

The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	7.55 ESG Score	96.47%	99.85%
Portfolio weighted average ESG score for the Investment Universe	6.79 ESG Score	98.36%	49.67%

- **...and compared to previous periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process. Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
METHANEX CORP	Manufacturing	6.99%	CA
MICROSOFT CORP	Information and communication	5.04%	US
GIBSON ENERGY INC	Wholesale and retail trade; repair of motor vehicles and motorcycles	4.76%	CA
BROADCOM INC	Manufacturing	4.18%	US
KEYERA CORP	Wholesale and retail trade; repair of motor vehicles and motorcycles	3.69%	CA
NOVARTIS AG	Manufacturing	3.45%	CH
AMCOR CDI PLC	Manufacturing	3.38%	AU
ANALOG DEVICES INC	Manufacturing	3.38%	US
BRISTOL MYERS SQUIBB	Manufacturing	3.19%	US
IMPERIAL BRANDS PLC	Manufacturing	3.14%	GB
TAKEDA PHARMACEUTICAL LTD	Manufacturing	3.05%	JP
ABRDN PLC	Financial and insurance activities	2.82%	GB
KLA CORP	Manufacturing	2.55%	US
SIEMENS N AG	Other	2.40%	DE
TRINSEO PLC	Manufacturing	2.38%	US

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

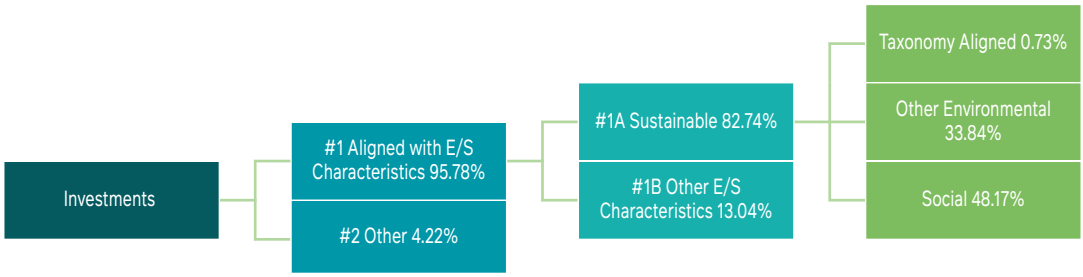
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 95.78% of NAV as at 31 March 2023. This comprised 82.74% of NAV in sustainable investments, and the remaining 13.04% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.73% were aligned to the EU Taxonomy. 33.84% related to investments with other environmental characteristics, and 48.17% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	61.94%
Financial and insurance activities	13.72%
Wholesale and retail trade; repair of motor vehicles and motorcycles	12.93%
Information and communication	5.81%
Other	3.67%
Mining and quarrying	1.70%
Professional, scientific and technical activities	0.22%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0.73%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

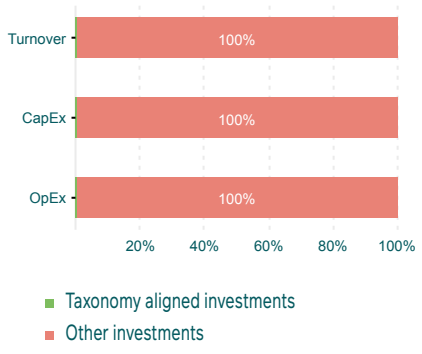
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

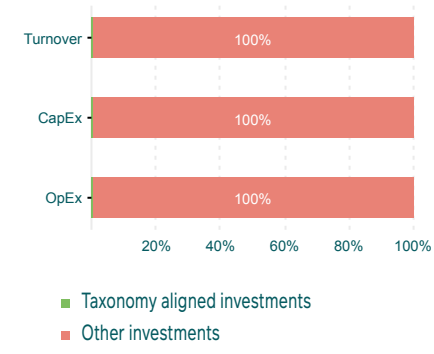
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional activities over the period was 0% and in enabling activities 0.18%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0%
Share of Enabling Activities	0.18%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 33.84%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 48.17%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held cash, near cash and money market funds as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?
The Fund applied an exclusion policy to achieve its Exclusionary Approach and it maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Global Emerging Markets Fund
Legal Entity Identifier: 54930005JJ2DZTKZDJ63

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 64.53% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance)

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

by the financial product are attained.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	5.95 ESG Score	98.04%	91.74%
Portfolio weighted average ESG score for the Investment Universe	5.47 ESG Score	98.74%	49.69%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

  Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process. Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
SAMSUNG ELECTRONICS LTD	Manufacturing	6.70%	KR
ALIBABA GROUP HOLDING ADR REPRESEN	Wholesale and retail trade; repair of motor vehicles and motorcycles	4.39%	CN
TAIWAN SEMICONDUCTOR MANUFACTURING	Manufacturing	3.98%	TW
PING AN INSURANCE (GROUP) CO OF CH	Financial and insurance activities	2.95%	CN
FIBRA UNO ADMINISTRACION REIT SA	Financial and insurance activities	2.82%	MX
BAIDU ADS REPTG INC CLASS A	Information and communication	2.81%	CN
NASPERS LIMITED N LTD	Information and communication	2.69%	ZA
HANA FINANCIAL GROUP INC	Financial and insurance activities	2.53%	KR
BANCO BRADESCO PREF SA	Financial and insurance activities	2.44%	BR
COMPANHIA CONCESSOES RODOVIARIAS S	Transportation and storage	2.38%	BR
SAMSUNG FIRE & MARINE INSURANCE LT	Financial and insurance activities	2.34%	KR
CHINA CONSTRUCTION BANK CORP H	Financial and insurance activities	2.25%	CN
SHINHAN FINANCIAL GROUP LTD	Financial and insurance activities	2.23%	KR
FAR EAST HORIZON LTD	Financial and insurance activities	2.13%	HK
SILICON MOTION TECHNOLOGY ADR REPT	Manufacturing	2.10%	KY

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

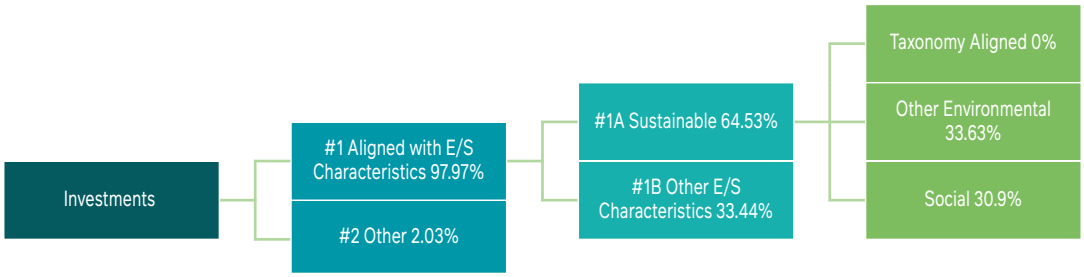
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 97.97% of NAV as at 31 March 2023. This comprised 64.53% of NAV in sustainable investments, and the remaining 33.44% of NAV in investments with other environmental and or social characteristics.

The Fund did not commit to invest in investments aligned to the EU Taxonomy, 0% were aligned to the EU Taxonomy. 33.63% related to investments with other environmental characteristics, and 30.90% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	37.89%
Financial and insurance activities	31.84%
Information and communication	7.33%
Wholesale and retail trade; repair of motor vehicles and motorcycles	7.20%
Mining and quarrying	4.03%
Electricity, gas, steam and air conditioning supply	2.72%
Transportation and storage	2.38%
Other	1.96%
Construction	1.83%
Administrative and support service activities	1.38%
Real estate activities	1.24%
Education	0.20%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

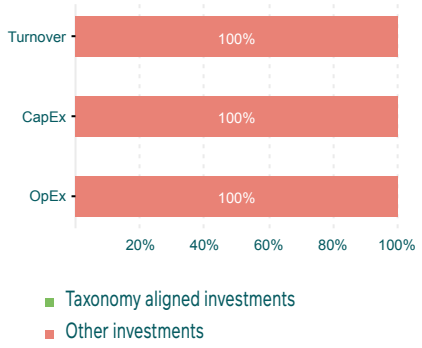
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

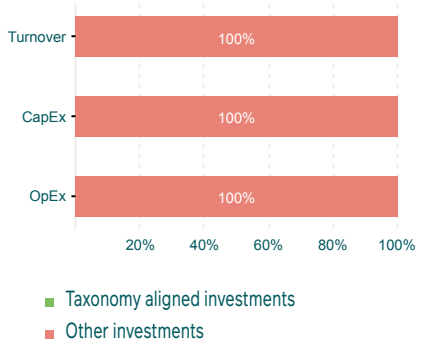
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0%
Share of enabling activities	0%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 33.63%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 30.9%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash and money market funds as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e., UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach and it maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Global Listed Infrastructure Fund
Legal Entity Identifier: 222100K85SU14IF7PW30

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 51.43% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and it made investments that are SDG-aligned (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes ("Exclusionary Approach").

The Fund considered the UN Sustainable Development Goals (SDGs) as part of its investment process and the sustainability themes considered by the Investment Manager are based on the SDGs as a relevant framework to measure contribution to sustainability factors ("SDG-alignment"). 98.91% of the Fund's investments by value were in investments considered by the Investment Manager to be related to sustainability themes.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and SDG-alignment were met at all times during the reporting period.

  Please see the below table for an overview of the Funds' performance relative to its sustainability indicator.

  The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the

sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Percentage (%) of investments by value that is SDG-aligned	81.11%	97.33%	99.72%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund.

  Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/22 to 31/03/23

Largest investments	Sector	% Assets	Country
ENEL	Electricity, gas, steam and air conditioning supply	3.74%	IT
E.ON N	Electricity, gas, steam and air conditioning supply	3.53%	DE
CROWN CASTLE INC	Other	3.26%	US
TC ENERGY CORP	Transportation and storage	3.13%	CA
PRAIRIESKY ROYALTY LTD	Mining and quarrying	3.04%	CA
FRANCO NEVADA CORP	Financial and insurance activities	3.03%	CA
EDISON INTERNATIONAL	Electricity, gas, steam and air conditioning supply	2.95%	US
TRANSURBAN GROUP STAPLED UNITS	Transportation and storage	2.94%	AU
GIBSON ENERGY INC	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.89%	CA
SEGRO REIT PLC	Real estate activities	2.83%	GB
EQUINIX REIT INC	Information and communication	2.81%	US
VINCI SA	Construction	2.71%	FR
INFRASTRUTTURE WIRELESS ITALIANE	Information and communication	2.63%	IT
KEYERA CORP	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.57%	CA
AES CORP	Electricity, gas, steam and air conditioning supply	2.50%	US

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 70% of the Fund to be aligned to the promoted E/S characteristics and for a minimum of 51% of the Fund to be in Sustainable Investments.

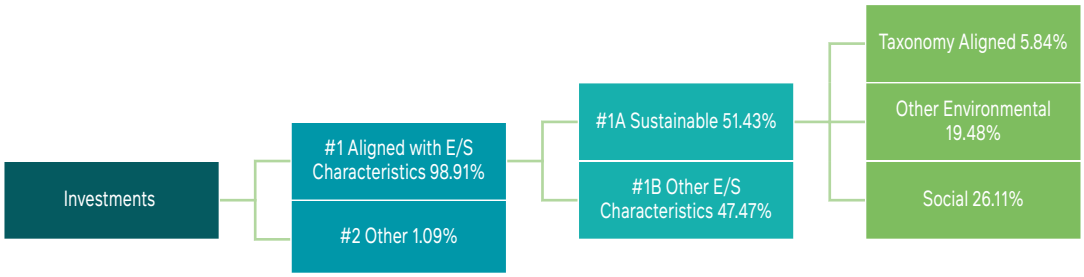
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 98.91% of NAV as at 31 March 2023. This comprised 51.43% of NAV in sustainable investments, and the remaining 47.47% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 5.84% were aligned to the EU Taxonomy. 19.48% related to investments with other environmental characteristics, and 26.11% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Electricity, gas, steam and air conditioning supply	30.43%
Financial and insurance activities	15.96%
Transportation and storage	12.92%
Real estate activities	12.72%
Information and communication	7.08%
Construction	6.45%
Wholesale and retail trade; repair of motor vehicles and motorcycles	5.46%
Mining and quarrying	5.01%
Water supply; sewerage, waste management and remediation activities	2.27%
Other	0.95%
Administrative and support service activities	0.75%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 5.84%.This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it.The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

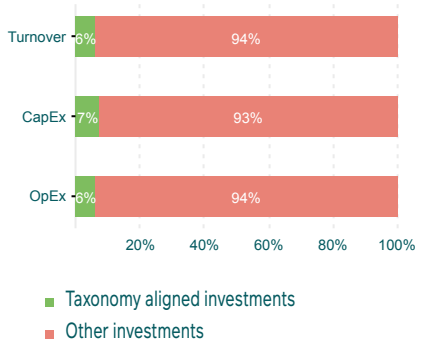
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

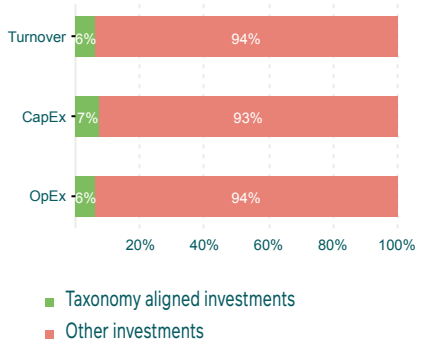
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Sub-Fund's investments made in transitional activities over the period was 0% and in enabling activities 1.75%. This compares to a minimum percentage commitment of 0% stated in the Sub-Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.00%
Share of Enabling Activities	1.75%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 19.48%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 26.11%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Sub-Fund held varying levels of cash and cash equivalents as "Other" investments during the reporting period as part of normal liquidity management. No minimum safeguards were applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach and it made investments that are SDG-aligned. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Global Macro Bond Fund
Legal Entity Identifier: 549300OHGMRPC0NPD471

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 55.85% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also included assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach were met at all times during the reporting period.

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
TREASURY BOND	Public administration and defence; compulsory social security	5.49%	US
TREASURY (CPI) NOTE	Public administration and defence; compulsory social security	2.88%	US
TREASURY NOTE	Public administration and defence; compulsory social security	2.74%	US
TREASURY NOTE	Public administration and defence; compulsory social security	2.73%	US
UK CONV GILT	Public administration and defence; compulsory social security	2.26%	GB
AUSTRALIA (COMMONWEALTH OF)	Public administration and defence; compulsory social security	2.10%	AU
TREASURY NOTE	Public administration and defence; compulsory social security	1.95%	US
TREASURY NOTE	Public administration and defence; compulsory social security	1.59%	US
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.45%	DE
TREASURY (CPI) NOTE	Public administration and defence; compulsory social security	1.44%	US
CANADA (GOVERNMENT OF)	Public administration and defence; compulsory social security	1.37%	CA
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.35%	DE
NORWAY (KINGDOM OF)	Public administration and defence; compulsory social security	1.25%	NO
TREASURY (CPI) NOTE	Public administration and defence; compulsory social security	1.23%	US
JAPAN (GOVERNMENT OF) 10YR #24	Public administration and defence; compulsory social security	1.21%	JP

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics.

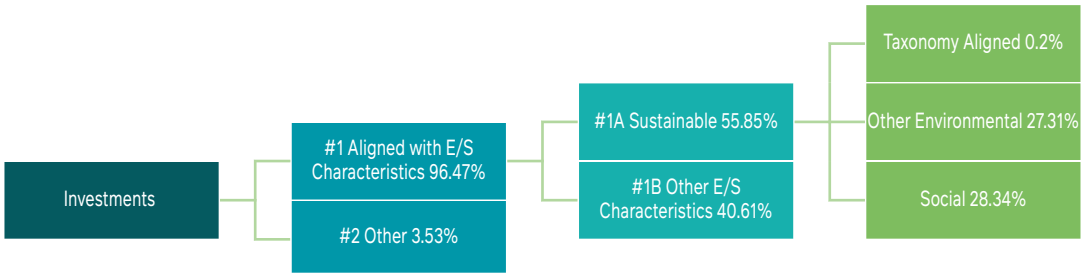
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 96.47% of NAV as at 31 March 2023. This comprised 55.85% of NAV in sustainable investments, and the remaining 40.61% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.2% were aligned to the EU Taxonomy. 27.31% related to investments with other environmental characteristics, and 28.31% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Public administration and defence; compulsory social security	65.21%
Financial service activities, except insurance and pension funding	18.90%
Other	8.32%
Manufacturing	2.80%
Information and communication	2.78%
Electricity, gas, steam and air conditioning supply	0.59%
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.56%
Real estate activities	0.30%
Accommodation and food service activities	0.29%
Transportation and storage	0.20%
Administrative and support service activities	0.06%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0.2% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

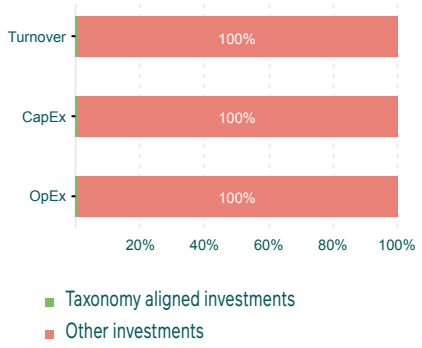
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

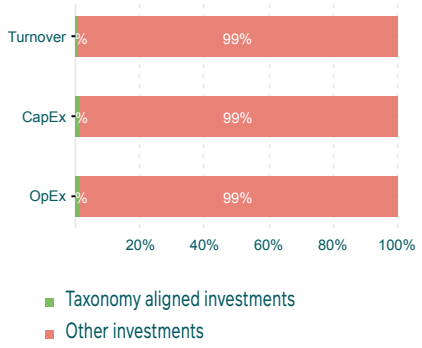
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 28.86% of the total investments.

For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional activities over the period was 0% and in enabling activities 0.11%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.00%
Share of Enabling Activities	0.11%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 27.31%.This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 28.34%.This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash and money market funds, FX derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach. Its compliance with the same is reported in the sustainability indicators section above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Global Sustain Paris Aligned Fund
Legal Entity Identifier: 549300IT0OLV3HDN7Z63

Sustainable investment objective

Did this financial product have a sustainable investment objective?

● ● [x] **Yes** ● ● [ ] **No**

[x] It made **sustainable investments with an environmental objective**: 95.5%

- [ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [x] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

[ ] It made **sustainable investments with a social objective**:

[ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

- [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [ ] with a social objective

[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The Fund invested in companies that contribute towards the Paris Agreement climate change goal, in line with its sustainable investment objective. The strength of the fund's performance against this objective is evaluated in the sustainability indicators section below.

The alignment percentage indicated in the graphic below shows the allocation between sustainable investments made in pursuit of the sustainable investment objective and "Other" investments.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

Please see the below table for an overview of the fund's performance relative to its sustainability indicators.

The 'Eligibility' figure is a measure of the percentage of fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

In the reporting period, the Fund's normalised Weighted Average Carbon Intensity (WACI) was 59.3 t CO2e. The WACI is a measure of the carbon intensity of all underlying holdings, weighted to their allocations in the Fund.

Notably, investee companies providing climate solutions helped to avoid more than 197 million tonnes of CO2 equivalents, according to the latest available company disclosures. Investee companies in this area included Schneider Electric, which produces energy management and automation components, and Linde, a producer of industrial gases which helps its customers to reduce their emissions, for example, by producing hydrogen for ultra-low sulphur diesel, or by creating thermal coatings that improve the energy efficiency of gas turbines and jet engines.

Furthermore, 41.37% of the fund's Net Asset Value (NAV) was held in companies with ratified science-based targets, while a further 28.13% of NAV was held in companies that have committed to science-based targets.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Percentage (%) of NAV committed to Science-Based Targets (SBTs)	28.13%	98.17%	73.61%
Percentage (%) of NAV with ratified Science-Based Targets (SBTs)	41.37%	98.17%	73.61%
Percentage (%) of NAV participating in Task Force on Climate-Related Financial Disclosures (TCFD) reporting	83.85%	98.17%	98.08%
Tonnes of CO2 emissions avoided by positive impact investments	197050000 tCO2e	98.17%	12.07%
Total renewable energy produced (megawatt hours)	-	98.17%	0%
Weighted average carbon intensity (WACI) for the fund	59.30 tCO2e	96.24%	100%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they were required to pass a series of tests, including:
  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

How did this financial product consider principal adverse impacts on sustainability factors?
For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
UNITEDHEALTH GROUP INC	Financial and insurance activities	7.14%	US
MICROSOFT CORP	Information and communication	6.79%	US
NOVO NORDISK CLASS B	Manufacturing	5.47%	DK
ALPHABET INC CLASS A	Information and communication	4.46%	US
MANHATTAN ASSOCIATES INC	Information and communication	4.20%	US
SCHNEIDER ELECTRIC	Manufacturing	4.12%	FR
WH SMITH PLC	Wholesale and retail trade; repair of motor vehicles and motorcycles	4.08%	GB
UNILEVER PLC	Manufacturing	3.92%	GB
BECTON DICKINSON	Manufacturing	3.72%	US
VISA INC CLASS A	Financial and insurance activities	3.62%	US
TOKIO MARINE HOLDINGS INC	Financial and insurance activities	3.18%	JP
JOHNSON CONTROLS INTERNATIONAL PLC	Manufacturing	3.13%	IE
DISCOVER FINANCIAL SERVICES	Financial and insurance activities	2.93%	US
AMERICAN EXPRESS	Financial and insurance activities	2.90%	US
KUEHNE UND NAGEL INTERNATIONAL AG	Transportation and storage	2.77%	CH

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 80% to be invested in environmental sustainable investments, in pursuit of the environmental sustainable investment objective.

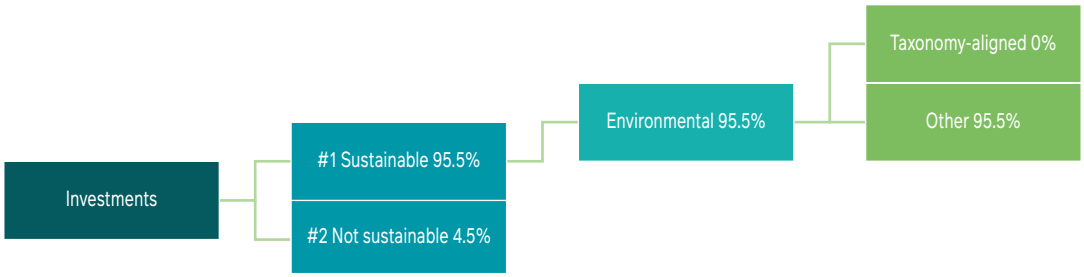
As of 31 March 2023, 95.50% of the Net Asset Value of the Fund was in sustainable investments, which is above the minimum commitment of 80%. None of the sustainable investments were expected to be aligned to the EU Taxonomy. 0% of the sustainable investments were aligned to the EU Taxonomy, while 95.50% related to investments with environmental objectives.

4.50% of the Fund is comprised of "not sustainable" investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	35.38%
Financial and insurance activities	27.91%
Information and communication	22.08%
Wholesale and retail trade; repair of motor vehicles and motorcycles	5.31%
Other	3.76%
Transportation and storage	2.77%
Administrative and support service activities	1.53%
Other service activities	1.27%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

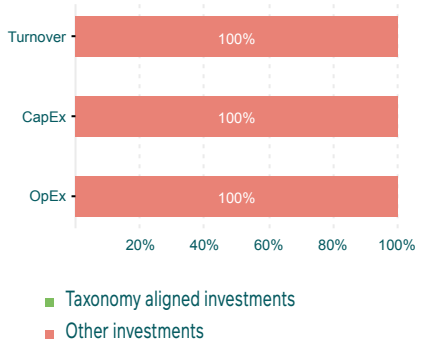
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

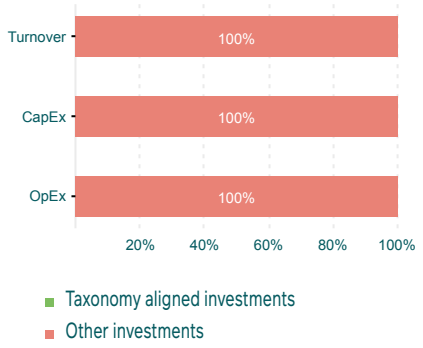
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0%
Share of enabling activities	0%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 95.50%. This compares to a minimum percentage commitment of 80% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of sustainable investments with a social objective was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held varying levels of cash, near cash and money market funds, and derivatives as "Other" investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below:

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund has invested in companies that contribute towards the Paris Agreement climate change goal. Its compliance with the same is reported in the sustainability indicators above.

ESG engagements are also a key focus for the fund in order to help investment companies improve their climate and sustainability standards, to support the fund's sustainable investment objective.

For example, we engaged with Ball Corporation to discuss their decarbonisation plans and push for increased ambition around scope 3 emissions. The company is currently working to align its scope 3 emission reduction target with a temperature increase of no more than 1.5°C above pre-industrial times (rather than 2°C).

Similarly, we encouraged US diversified managed healthcare company UnitedHealth's decarbonisation plans, including scope 3 assessment and Science Based Targets initiative (SBTi) validation.

We were pleased to see that UnitedHealth has now committed to SBTi validation, and plans to submit its targets for approval in 2023. The company recently hired a chief sustainability officer, reporting to the chief executive, and subsequently published a much improved sustainability report in June 2022 (and will take our points on board for next year's report). It intends to create an ESG steering committee, to be in place by the end of year, led by the chief sustainability officer and comprised of business leaders, to help further act on sustainability considerations. The company also plans to have its scope 3 inventory completed by the end of the year. We will continue to engage with UnitedHealth as it moves along its path to decarbonisation.

How did this financial product perform compared to the reference sustainable benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How did the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Global Themes Fund
Legal Entity Identifier: 2549003Q1RX8JB20XW74

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 76.08% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

by the financial product are attained.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	7.37 ESG Score	98.93%	98.59%
Portfolio weighted average ESG score for the Investment Universe	6.79 ESG Score	99.48%	49.67%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process. Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
PRAIRIESKY ROYALTY LTD	Mining and quarrying	4.21%	CA
MICROSOFT CORP	Information and communication	3.68%	US
FRANCO NEVADA CORP	Financial and insurance activities	3.11%	CA
ALPHABET INC CLASS A	Information and communication	3.07%	US
TENCENT HOLDINGS LTD	Information and communication	2.71%	CN
INFINEON TECHNOLOGIES AG	Manufacturing	2.68%	DE
INTEL CORPORATION CORP	Manufacturing	2.58%	US
MAGNA INTERNATIONAL INC	Manufacturing	2.42%	CA
LULULEMON ATHLETICA INC	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.36%	CA
HANNOVER RUECK	Financial and insurance activities	2.08%	DE
MANULIFE FINANCIAL CORP	Financial and insurance activities	2.01%	CA
ROCHE HOLDING PAR AG	Manufacturing	2.01%	CH
SIEMENS N AG	Other	2.00%	DE
AIA GROUP LTD	Financial and insurance activities	1.99%	HK
BECTON DICKINSON	Manufacturing	1.99%	US

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

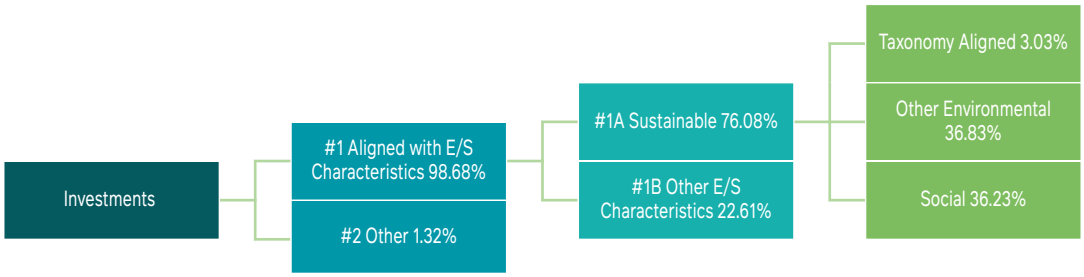
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 98.68% of NAV as at 31 March 2023. This comprised 76.08% of NAV in sustainable investments, and the remaining 22.61% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 3.03% were aligned to the EU Taxonomy. 36.83% related to investments with other environmental characteristics, and 36.23% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	38.05%
Financial and insurance activities	15.47%
Information and communication	13.89%
Mining and quarrying	6.89%
Real estate activities	6.15%
Electricity, gas, steam and air conditioning supply	5.69%
Wholesale and retail trade; repair of motor vehicles and motorcycles	4.83%
Transportation and storage	2.76%
Water supply; sewerage, waste management and remediation activities	2.09%
Construction	1.27%
Other	1.07%
Human health and social work activities	1.02%
Administrative and support service activities	0.50%
Professional, scientific and technical activities	0.32%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 3.03%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

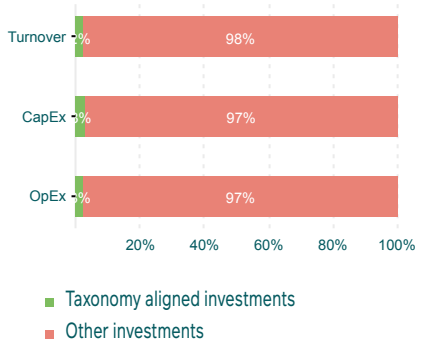
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

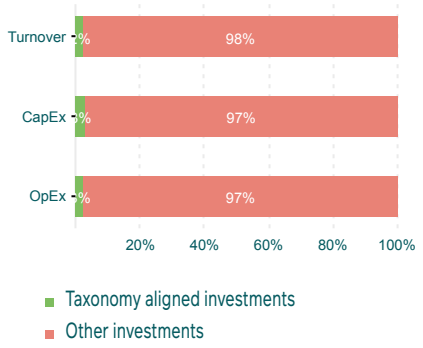
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional activities over the period was 0% and in enabling activities 0.27%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.00%
Share of Enabling Activities	0.27%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 36.83%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 36.23%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash and money market funds as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach and it maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Income Allocation Fund
Legal Entity Identifier: 5493009TGYUIY117XO13

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 62.83% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach").

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach were met at all times during the reporting period.

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:
  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above.

For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
TREASURY BOND	Public administration and defence; compulsory social security	11.65%	US
TREASURY BOND	Public administration and defence; compulsory social security	4.06%	US
MEXICO (UNITED MEXICAN STATES) (GO		2.28%	MX
CHILE (REPUBLIC OF)	Public administration and defence; compulsory social security	2.21%	CL
CHILE (REPUBLIC OF)	Public administration and defence; compulsory social security	2.21%	CL
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.93%	DE
SOUTH AFRICA (REPUBLIC OF)	Public administration and defence; compulsory social security	1.86%	ZA
TREASURY BILL	Public administration and defence; compulsory social security	1.80%	US
PERU (REPUBLIC OF)	Public administration and defence; compulsory social security	1.72%	PE
COLOMBIA REPUBLIC OF (GOVERNMENT)	Public administration and defence; compulsory social security	1.71%	CO
TREASURY NOTE	Public administration and defence; compulsory social security	1.68%	US
TREASURY BILL	Public administration and defence; compulsory social security	1.67%	US
INTER-AMERICAN DEVELOPMENT BANK	Activities of extraterritorial organisations and bodies	1.65%	SP
TREASURY BILL	Activities of extraterritorial organisations and bodies	1.64%	US
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.44%	DE
UK CONV GILT	Public administration and defence; compulsory social security	1.28%	GB

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 70% of the Fund to be aligned to the promoted E/S characteristics and for a minimum of 20% of the Fund to be in Sustainable Investments.

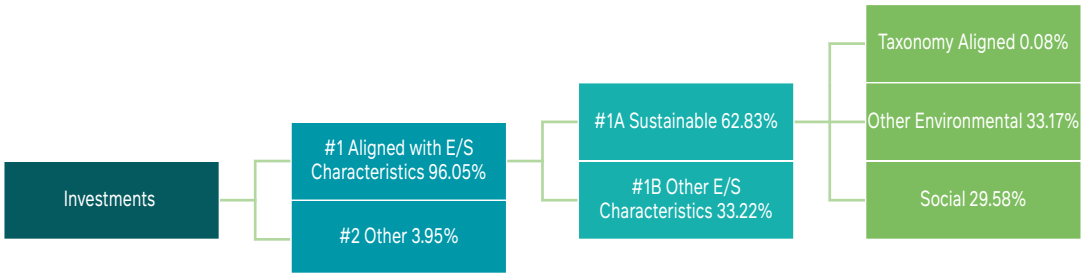
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 96.05% of NAV as at 31 March 2023. This comprised 62.83% of NAV in sustainable investments, and the remaining 33.22% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.08% were aligned to the EU Taxonomy. 33.17% related to investments with other environmental characteristics, and 29.58% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Public administration and defence; compulsory social security	40.36%
Financial and insurance activities	21.52%
Manufacturing	16.99%
Information and communication	4.77%
Other	3.74%
Construction	3.14%
Wholesale and retail trade; repair of motor vehicles and motorcycles	2.50%
Activities of extraterritorial organisations and bodies	2.15%
Real estate activities	1.85%
Human health and social work activities	1.10%
Transportation and storage	0.94%
Administrative and support service activities	0.60%
Accommodation and food service activities	0.21%
Electricity, gas, steam and air conditioning supply	0.06%
Mining and quarrying	0.05%
Other service activities	0.00%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0.08%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

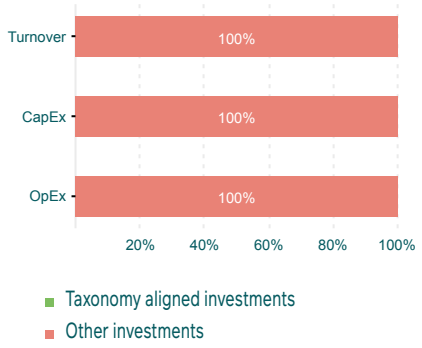
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

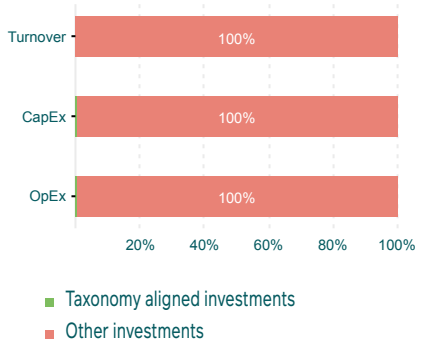
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 62.08% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional activities over the period was 0% and in enabling activities 0.02%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0%
Share of Enabling Activities	0.02%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 33.17%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 29.58%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash, collectives, FX derivatives and similar derivatives. No safeguards were applied.

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Japan Fund
Legal Entity Identifier: 549300OR1ZG2XAP7AU07

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 62.51% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was equivalent to at least an MSCI A rating.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**

The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

The Fund committed to maintain a weighted average ESG rating that is either:

1. Higher than that of the equity market as represented by its investment universe; or
2. Equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

The second of these tests was met.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the Fund	6.69 ESG Score	98.78%	98.60%
Portfolio weighted average ESG score for the Investment Universe	7.15 ESG Score	99.42%	50%

- **...and compared to previous periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process. Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
MITSUBISHI UFJ FINANCIAL GROUP INC	Financial and insurance activities	4.00%	JP
HITACHI LTD	Information and communication	3.64%	JP
TOYOTA MOTOR CORP	Manufacturing	3.47%	JP
SEVEN & I HOLDINGS LTD	Wholesale and retail trade; repair of motor vehicles and motorcycles	3.44%	JP
MITSUI LTD	Mining and quarrying	3.37%	JP
ORIX CORP	Financial and insurance activities	3.23%	JP
CREDIT SAISON LTD	Financial and insurance activities	3.19%	JP
SONY GROUP CORP	Manufacturing	3.18%	JP
NIPPON TELEGRAPH AND TELEPHONE COR	Information and communication	3.10%	JP
HONDA MOTOR LTD	Manufacturing	2.87%	JP
SPARX GROUP LTD	Financial and insurance activities	2.63%	JP
KIRIN HOLDINGS LTD	Manufacturing	2.54%	JP
NIKON CORP	Manufacturing	2.51%	JP
MITSUI FUDOSAN LTD	Real estate activities	2.43%	JP
TOYOTA INDUSTRIES CORP	Manufacturing	2.32%	JP

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

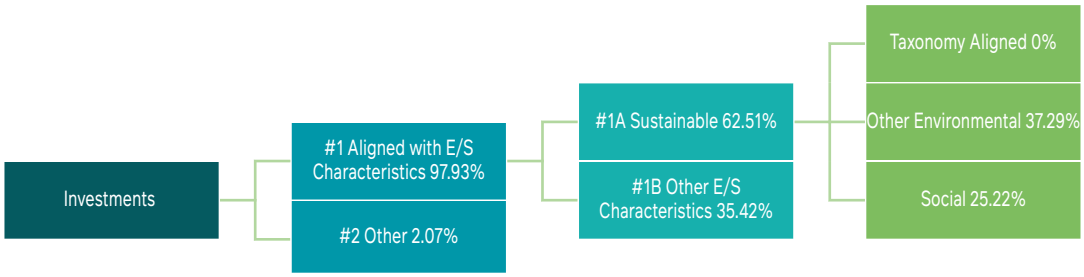
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 97.93% of NAV as at 31st March 2023. This comprised 62.51% of NAV in sustainable investments, and the remaining 35.42% of NAV in investments with other environmental and or social characteristics.

The Fund did not commit to invest in investments aligned to the EU Taxonomy, 0% were aligned to the EU Taxonomy. 37.29% related to investments with other environmental characteristics, and 25.22% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	40.67%
Information and communication	14.23%
Financial and insurance activities	13.98%
Wholesale and retail trade; repair of motor vehicles and motorcycles	5.95%
Administrative and support service activities	5.66%
Transportation and storage	4.84%
Construction	4.38%
Mining and quarrying	3.37%
Real estate activities	2.72%
Professional, scientific and technical activities	1.95%
Other	1.77%
Arts, entertainment and recreation	0.49%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

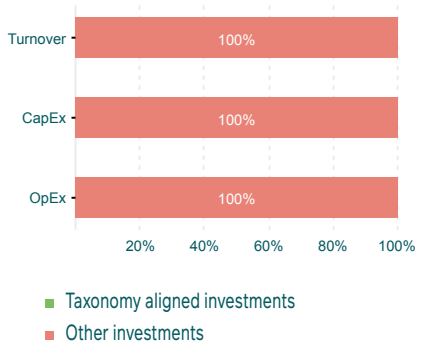
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

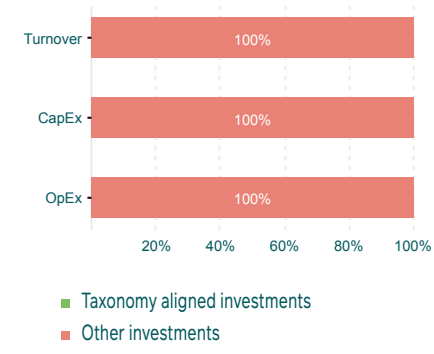
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0%
Share of enabling activities	0%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 37.29%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 25.22%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held cash and near cash as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?
The Fund applied an exclusion policy to achieve its Exclusionary Approach. The Fund committed to maintain a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

The second of these tests was met. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Japan Smaller Companies Fund
Legal Entity Identifier: 549300QUHQWF3GEVSU46

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 49.4% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was equivalent to at least an MSCI A rating.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

by the financial product are attained.

The Fund committed to maintain a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

The second of these tests was met.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March			
Portfolio weighted average ESG score for the fund	5.82 ESG Score	98.12%	81.90%
Portfolio weighted average ESG score for the Investment Universe	6.45 ESG Score	99.15%	48.92%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

  Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process. Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
SPARX GROUP LTD	Financial and insurance activities	3.71%	JP
OPEN UP GROUP INC	Administrative and support service activities	3.49%	JP
CREDIT SAISON LTD	Financial and insurance activities	3.34%	JP
KYB CORP	Manufacturing	3.14%	JP
NIKON CORP	Manufacturing	3.12%	JP
NIPPON PILLAR PACKING LTD	Manufacturing	3.09%	JP
AXXZIA INC	Manufacturing	2.96%	JP
SANRIO LTD	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.76%	JP
SUMITOMO FORESTRY LTD	Construction	2.73%	JP
NIPPON SIGNAL LTD	Manufacturing	2.68%	JP
T HASEGAWA LTD	Manufacturing	2.62%	JP
TOYOTA INDUSTRIES CORP	Manufacturing	2.53%	JP
TAZMO LTD	Manufacturing	2.51%	JP
NORITSU KOKI LTD	Manufacturing	2.36%	JP
USHIO INC	Manufacturing	2.34%	JP

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

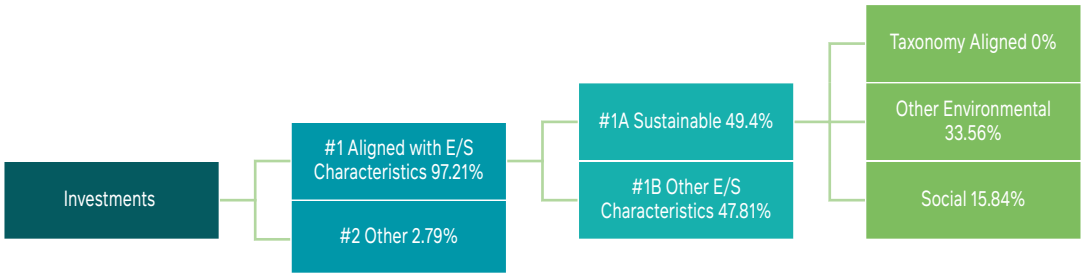
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 97.21% of NAV as at 31st March 2023. This comprised 49.40% of NAV in sustainable investments, and the remaining 47.81% of NAV in investments with other environmental and or social characteristics.

The Fund did not commit to invest in investments aligned to the EU Taxonomy, 0% were aligned to the EU Taxonomy, while 33.56% related to investments with other environmental characteristics, and 15.84% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	54.11%
Administrative and support service activities	8.25%
Financial and insurance activities	8.03%
Transportation and storage	7.77%
Information and communication	7.02%
Construction	4.02%
Wholesale and retail trade; repair of motor vehicles and motorcycles	3.87%
Professional, scientific and technical activities	3.20%
Other	2.42%
Agriculture, forestry and fishing	1.32%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

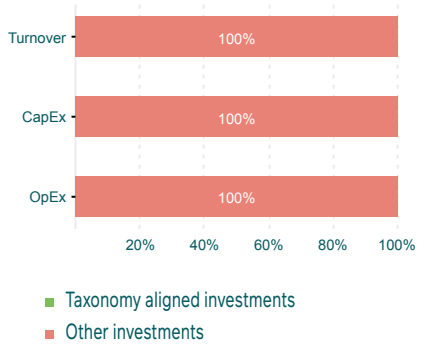
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

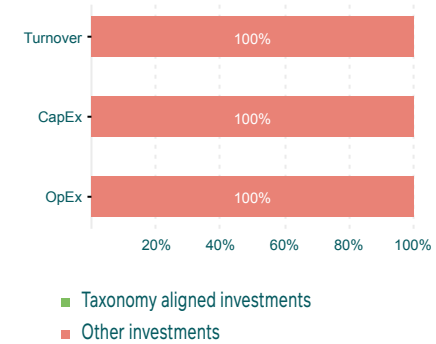
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What was the share of investments made in transitional and enabling activities?

The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	-%
Share of enabling activities	-%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 33.56%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 15.84%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held cash and near cash and as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?
The Fund applied an exclusion policy to achieve its Exclusionary Approach. The Fund committed to maintain a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

The second of these tests was met. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) North American Dividend Fund

Legal Entity Identifer: LU1670627253

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 89.05% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**

The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	7.32 ESG Score	98.74%	100%
Portfolio weighted average ESG score for the Investment Universe	6.68 ESG Score	99.37%	49.82%

- **...and compared to previous periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
MICROSOFT CORP	Information and communication	8.86%	US
MASTERCARD INC CLASS A	Financial and insurance activities	7.73%	US
VISA INC CLASS A	Financial and insurance activities	6.23%	US
BROADCOM INC	Manufacturing	5.56%	US
BLACKROCK INC	Financial and insurance activities	4.43%	US
LAM RESEARCH CORP	Manufacturing	3.86%	US
UNITEDHEALTH GROUP INC	Financial and insurance activities	3.80%	US
AMERICAN TOWER REIT CORP	Real estate activities	3.36%	US
COGENT COMMUNICATIONS HOLDINGS INC	Information and communication	3.35%	US
LOWES COMPANIES INC	Wholesale and retail trade; repair of motor vehicles and motorcycles	3.34%	GB
SYSCO CORP	Wholesale and retail trade; repair of motor vehicles and motorcycles	3.10%	US
AIR PRODUCTS AND CHEMICALS INC	Manufacturing	3.09%	US
MERCK & CO INC	Manufacturing	2.50%	US
JPMORGAN CHASE	Financial and insurance activities	2.45%	US

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

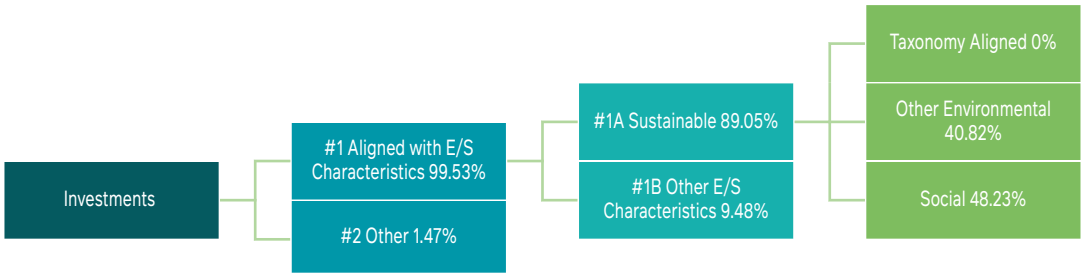
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 98.53% of NAV as at 31 March 2023. This comprised 89.05% of NAV in sustainable investments, and the remaining 9.48% of NAV in investments with other environmental and or social characteristics.

The Fund did not commit to invest in investments aligned to the EU Taxonomy, 0% were aligned to the EU Taxonomy. 40.82% related to investments with other environmental characteristics, and 48.23% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	45.66%
Information and communication	17.05%
Financial and insurance activities	14.10%
Electricity, gas, steam and air conditioning supply	5.24%
Mining and quarrying	4.77%
Transportation and storage	3.80%
Wholesale and retail trade; repair of motor vehicles and motorcycles	3.53%
Other	2.63%
Real estate activities	2.10%
Administrative and support service activities	0.56%
Human health and social work activities	0.55%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

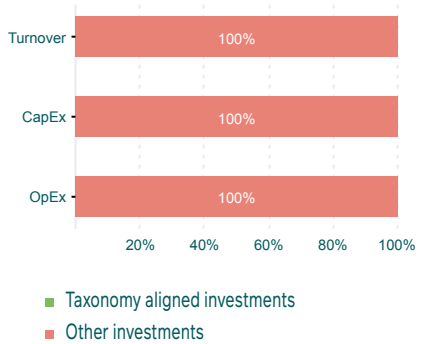
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

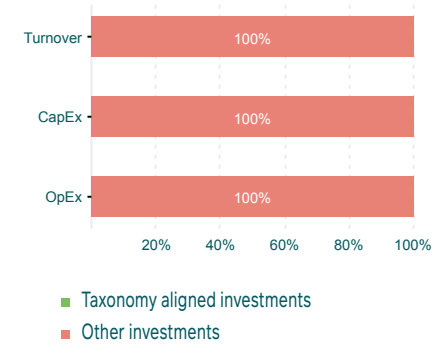
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	-%
Share of Enabling Activities	-%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 40.82%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 48.23%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held cash, near cash and money market funds as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?
The Fund applied an exclusion policy to achieve its Exclusionary Approach and it maintained a weighted average ESG rating that was higher than that of the equity market as represented by its investment universe. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A.

- **How did this financial product perform compared with the reference benchmark?**
  N/A.

- **How did this financial product perform compared with the broad market index?**
  N/A.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) North American Value Fund
Legal Entity Identifier: 549300JHS93E10IP4365

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 76.42% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintained a weighted average ESG rating that was equivalent to at least an MSCI A rating.

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the investment Manager's good governance test. When assessing good governance practice the Investment manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period.

by the financial product are attained.

The Fund committed to maintain a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

The second of these tests was met.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	6.10 ESG Score	97.37%	100%
Portfolio weighted average ESG score for the Investment Universe	6.68 ESG Score	98.53%	49.82%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

  Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
JOHNSON & JOHNSON	Manufacturing	3.41%	US
META PLATFORMS INC CLASS A	Information and communication	3.00%	US
CHEVRON CORP	Manufacturing	2.83%	US
JPMORGAN CHASE	Financial and insurance activities	2.65%	US
ALPHABET INC CLASS A	Information and communication	2.64%	US
PFIZER INC	Manufacturing	2.38%	US
CISCO SYSTEMS INC	Manufacturing	2.20%	US
BRISTOL MYERS SQUIBB	Manufacturing	2.06%	US
MERCK & CO INC	Manufacturing	2.06%	US
COCA COLA EUROPACIFIC PARTNERS PLC	Manufacturing	2.04%	GB
ELEVANCE HEALTH INC	Financial and insurance activities	2.04%	US
EXELON CORP	Electricity, gas, steam and air conditioning supply	1.97%	US
KROGER	Wholesale and retail trade; repair of motor vehicles and motorcycles	1.93%	US
STRYKER CORP	Manufacturing	1.83%	US
VERIZON COMMUNICATIONS INC	Information and communication	1.81%	US

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

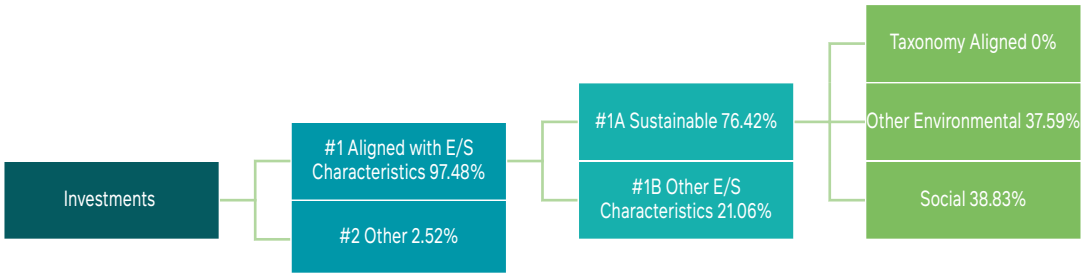
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 97.48% of NAV as at 31 March 2023. this comprised 76.42% of NAV in sustainable investments, and the remaining 21.06% of NAV in investments with other environmental and or social characteristics.

The Fund did not commit to invest in investments aligned to the EU Taxonomy, 0% were aligned to the EU Taxonomy, while 37.59% related to investments with other environmental characteristics, and 38.83% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	45.66%
Information and communication	17.05%
Financial and insurance activities	14.10%
Electricity, gas, steam and air conditioning supply	5.24%
Mining and quarrying	4.77%
Transportation and storage	3.80%
Wholesale and retail trade; repair of motor vehicles and motorcycles	3.53%
Other	2.63%
Real estate activities	2.10%
Administrative and support service activities	0.56%
Human health and social work activities	0.55%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

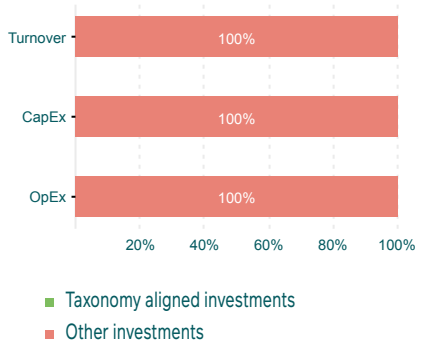
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

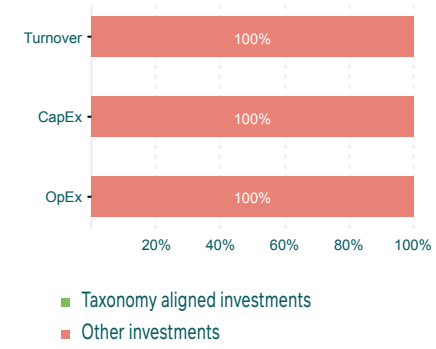
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What was the share of investments made in transitional and enabling activities?

The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0%
Share of Enabling Activities	0%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 37.59%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 38.83%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held cash, near cash and money market funds as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?
The Fund applied an exclusion policy to achieve its Exclusionary Approach. The Fund committed to maintain a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

The second of these tests was met. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Optimal Income Fund
Legal Entity Identifier: 5493008ON3OV4FEXKY59

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ Yes ● ● ☒ No

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 61.81% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promotes the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also included assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG factors.

The Fund maintained a weighted average ESG rating that was higher than its investment universe ("Positive ESG Tilt"). In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt outcome were met at all times during the reporting period.

by the financial product are attained.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	6.83 ESG score	65.38%	91.16%
Portfolio weighted average ESG score for the Investment Universe	6.11 ESG score	64.60%	42.62%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above.

For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01 April 2022 to 31 March 2023

Largest investments	Sector	% Assets	Country
TREASURY NOTE	Public administration and defence; compulsory social security	2.38%	US
TREASURY NOTE	Public administration and defence; compulsory social security	2.16%	US
TREASURY NOTE	Public administration and defence; compulsory social security	1.95%	US
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	1.80%	FR
TREASURY NOTE	Public administration and defence; compulsory social security	1.70%	US
TREASURY NOTE	Public administration and defence; compulsory social security	1.63%	US
TREASURY NOTE	Public administration and defence; compulsory social security	1.57%	US
TREASURY NOTE	Public administration and defence; compulsory social security	1.45%	US
UK CONV GILT	Public administration and defence; compulsory social security	1.07%	GB
BOEING CO	Manufacturing	0.80%	US
TREASURY NOTE	Public administration and defence; compulsory social security	0.79%	US
TREASURY NOTE	Public administration and defence; compulsory social security	0.79%	US
TREASURY NOTE	Public administration and defence; compulsory social security	0.69%	US
TREASURY BOND	Public administration and defence; compulsory social security	0.65%	US
TREASURY NOTE	Public administration and defence; compulsory social security	0.65%	US

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

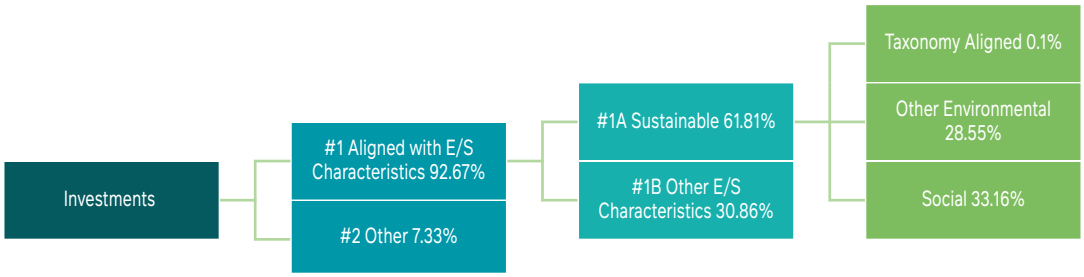
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 92.67% of NAV as at 31st March 2023. This comprised 61.81% of NAV in sustainable investments, and the remaining 30.86% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.10% were aligned to the EU Taxonomy. 28.55% related to investments with other environmental characteristics, and 33.16% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	43.70%
Public administration and defence; compulsory social security	26.47%
Manufacturing	8.92%
Other	8.27%
Information and communication	4.57%
Electricity, gas, steam and air conditioning supply	2.62%
Real estate activities	0.90%
Administrative and support service activities	0.79%
Accommodation and food service activities	0.68%
Human health and social work activities	0.66%
Transportation and storage	0.65%
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.62%
Activities of extraterritorial organisations and bodies	0.49%
Professional, scientific and technical activities	0.39%
Construction	0.14%
Mining and quarrying	0.10%
Water supply; sewerage, waste management and remediation activities	0.03%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0.10% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

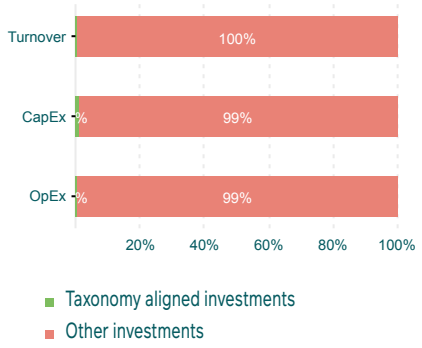
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

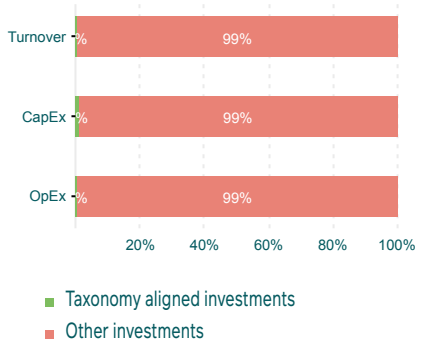
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 70.5% of the total investments.

For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional activities over the period was 0% and in enabling activities 0.01%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0%
Share of enabling activities	0.1%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 28.55%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 33.16%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach and maintained an ESG rating that was higher than its investment universe, thereby applying a Positive ESG tilt to the portfolio. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Pan European Sustain Paris Aligned Fund
Legal Entity Identifier: 549300P77Z28WJUYV459

Sustainable investment objective

Did this financial product have a sustainable investment objective?

● ● [x] **Yes** ● ● [ ] **No**

[x] It made **sustainable investments with an environmental objective**: 96.55%

- [x] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [x] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

[ ] It made **sustainable investments with a social objective**:

[ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

- [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [ ] with a social objective

[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The Fund invested in companies that contribute towards the Paris Agreement climate change goal, in line with its sustainable investment objective. The strength of the fund's performance against this objective is evaluated in the sustainability indicators section below.

The alignment percentage indicated in the graphic below shows the allocation between sustainable investments made in pursuit of the sustainble investment objective and "Other" investments.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

Please see the below table for an overview of the fund's performance relative to its sustainability indicators.

The 'Eligibility' figure is a measure of the percentage of fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Notably, 47% of the fund's Net Asset Value (NAV) was held in companies with ratified science-based targets, while a further 19% of NAV was held in companies that have committed to science-based targets.

Furthermore, investee companies providing climate solutions helped to avoid more than 183 million tonnes of CO2 equivalents, according to the latest available company disclosures. Investee companies in this area included Schneider Electric, which produces energy management and automation components, and efficient transportation and logistics company DSV.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Percentage (%) of NAV committed to Science-Based Targets (SBTs)	18.82%	98.36%	79.17%
Percentage (%) of NAV with ratified Science-Based Targets (SBTs)	46.78%	98.36%	79.17%
Percentage (%) of NAV participating in Task Force on Climate-Related Financial Disclosures (TCFD) reporting	89.70%	98.36%	98.49%
Total renewable energy produced (megawatt hours)	-	98.36%	0%
Tonnes of CO2 emissions avoided by positive impact investments	183750000 tCO2e	98.36%	7.47%
Weighted average carbon intensity (WACI) for the fund	51.78 tCO2e	96.85%	99.63%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:
  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
NOVO NORDISK CLASS B	Manufacturing	7.25%	DK
SCHNEIDER ELECTRIC	Manufacturing	5.13%	FR
NESTLE SA	Manufacturing	4.73%	CH
WH SMITH PLC	Wholesale and retail trade; repair of motor vehicles and motorcycles	4.11%	GB
UNILEVER PLC	Manufacturing	4.10%	GB
SCOUT24 N	Information and communication	3.94%	DE
DSV	Transportation and storage	3.86%	DK
AIB GROUP PLC	Financial and insurance activities	3.81%	IE
KUEHNE UND NAGEL INTERNATIONAL AG	Transportation and storage	3.69%	CH
RELX PLC	Information and communication	3.61%	GB
CTS EVENTIM AG	Arts, entertainment and recreation	3.46%	DE
AKZO NOBEL NV	Manufacturing	3.42%	NL
ALK-ABELLO CLASS B	Manufacturing	3.27%	DK
AMADEUS IT GROUP SA	Information and communication	3.19%	ES
RECKITT BENCKISER GROUP PLC	Manufacturing	3.15%	GB

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 80% to be invested in environmentally sustainable investments, in pursuit of the environmentally sustainable investment objective.

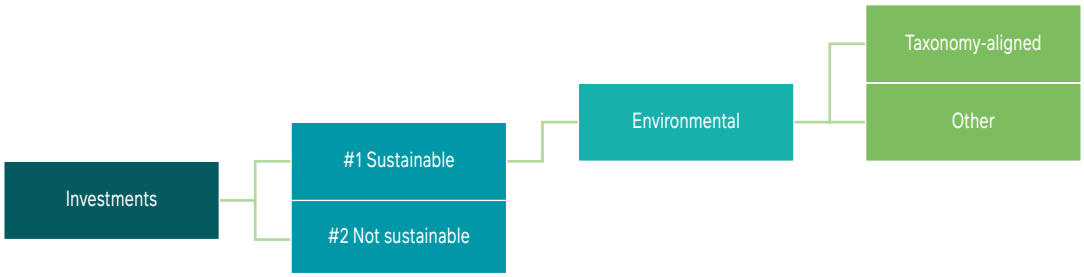
As of 31 March 2023, 96.55% of the Net Asset Value of the Fund was in sustainable investments, which is above the minimum commitment of 80%. Whilst the fund did not commit to invest in investments aligned to the EU Taxonomy, 0.76% of the sustainable investments were aligned to the EU Taxonomy. 95.79% related to investments with environmental objectives and 0% related to investments with a social objective.

3.45 % of the Fund is comprised of "not sustainable" investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	46.47%
Information and communication	14.51%
Financial and insurance activities	12.63%
Transportation and storage	7.55%
Wholesale and retail trade; repair of motor vehicles and motorcycles	7.17%
Arts, entertainment and recreation	3.46%
Other	3.15%
Administrative and support service activities	2.64%
Human health and social work activities	2.05%
Water supply; sewerage, waste management and remediation activities	0.36%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0.76% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

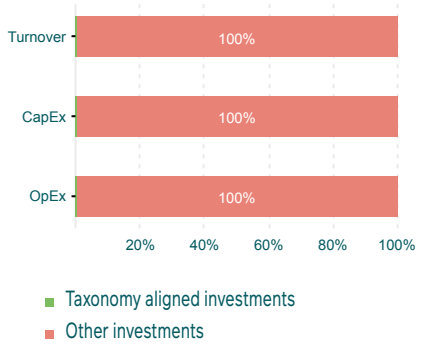
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

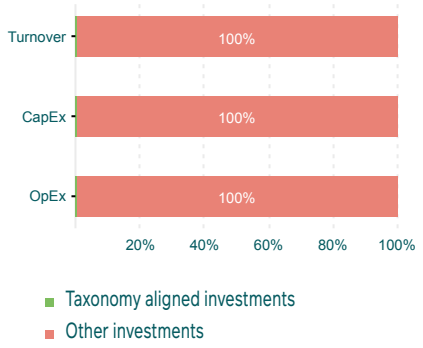
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional activities was 0% and in enabling activities was 0.19% over the period. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0%
Share of enabling activities	0.19%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 95.79%. This compares to a minimum percentage commitment of 80% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of sustainable investments with a social objective was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held varying levels of cash, money market funds, and derivatives as "Other" investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below:

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund has invested in companies that contribute towards the Paris Agreement climate change goal. Its compliance with the same is reported in the sustainability indicators above.

ESG engagements are also a key focus for the fund in order to help investment companies improve their climate and sustainability standards, to support the fund's sustainable investment objective.

For example, we engaged with German ticketing and live entertainment business CTS Eventim in June 2022, encouraging the company to disclose its scope 1, 2 and 3 carbon emissions (where currently there is no disclosure), and to consider decarbonisation plans, ultimately to be validated by Science Based Targets initiative (SBTi). The company is beginning to focus on reporting its emissions, the majority of which will be scope 3, relating to travel to events, energy use at events and waste. The plan is to provide emissions disclosures in its 2023 annual report, with the publication of targets in 2024, likely to be put to the SBTi.

We followed this up with another engagement in January 2023, to discuss the company's data gathering and target-setting commitments. The company was still trying to determine if it is actually carbon intensive, from a scope 3 perspective (i.e. whether it is responsible for the emissions of people traveling to a concert that it sold the tickets to). M&G's climate team is considering the question for CTS and similar companies, and we will make their findings known to CTS. We now await the next annual report, and will continue to engage with the company.

How did this financial product perform compared to the reference sustainable benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How did the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Positive Impact Fund
Legal Entity Identifier: 549300XGF5HHUXGRO059

Sustainable investment objective

Did this financial product have a sustainable investment objective?

● ● [X] **Yes** ● ● [ ] **No**

[X] It made **sustainable investments with an environmental objective**: 51.48%

- [X] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [X] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

[X] It made **sustainable investments with a social objective**: 46.47%

[ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

- [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [ ] with a social objective

[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The Fund invested in companies that have a positive societal impact through addressing the world's major social and/or environmental challenges, in line with its sustainable investment objective. The strength of the fund's performance against this objective is evaluated in the sustainability indicators section below.

The alignment percentage indicated in the graphic below shows the allocation between sustainable investments made in pursuit of the sustainable investment objective and "Other" investments.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

- **How did the sustainability indicators perform?**

  Please see the below table for an overview of the fund's performance relative to its sustainability indicators.

  The 'Eligibility' figure is a measure of the percentage of fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

  In the reporting period, 97.97% of the fund was held in investments aligned with the UN's Sustainable Development Goals (SDGs). This is in line with the fund's aim of holding impactful companies which contribute towards at least one of the SDGs. Furthermore, 88.3% of the fund's Net Asset Value (NAV) was held in companies participating in Task Force on Climate-related Financial Disclosures (TCFD) reporting. The TCFD provides recommendations for companies to disclose clear, comparable and consistent information about the risks and opportunities presented by climate change, with the aim of improving transparency for investors and other market participants.

  Notably, 31.35% of the fund's NAV was held in companies that have ratified science-based targets, while a further 13.2% of NAV was held in companies that have committed to science-based targets. These companies accounted for 63.3% of the fund's CO2 emissions. Science-based targets are emission reduction targets that are consistent with the pace recommended by climate scientists to achieve the goals of the Paris Agreement, thereby limiting the worst impact of climate change. In other words, if they are in line with emission-reduction levels required to keep the temperature increase below 1.5°C compared to pre-industrial temperatures. These companies are therefore demonstrating their intention to contribute positively towards global climate action, aside from their primary positive social or environmental impact.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Weighted average carbon intensity (WACI)	126.26 tCO2e /€m sales	97.03%	98.09%
Percentage (%) of NAV committed to Science-Based Targets (SBTs)	13.20%	98.01%	56.97%
Percentage (%) of NAV with ratified Science-Based Targets (SBTs)	31.35%	98.01%	56.97%
% of CO2 emissions with Science Based Targets (SBTs)	63.30% tCO2e	97.03%	50.59%
Percentage (%) of NAV participating in Task Force on Climate-Related Financial Disclosures (TCFD) reporting	88.30%	98.01%	99.01%
Percentage (%) of NAV in Climate Solutions companies	7.92%	97.03%	100%
Percentage (%) of NAV in Circular Economy solutions companies	10.56%	98.01%	99.01%
Percentage (%) of NAV investment providing environmental solutions	24.94%	98.01%	99.01%
Percentage (%) of NAV invested in positive impact assets in the Fund	98.93%	100%	99.01%
Percentage (%) of investments by value that is SDG-aligned	97.97%	98.01%	99.01%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they were required to pass a series of tests, including:
  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
NOVO NORDISK CLASS B	Manufacturing	6.40%	DK
ON SEMICONDUCTOR CORP	Manufacturing	5.93%	US
UNITEDHEALTH GROUP INC	Financial and insurance activities	5.25%	US
HDFC BANK ADR REPRESENTING THREE L	Financial and insurance activities	5.06%	IN
THERMO FISHER SCIENTIFIC INC	Manufacturing	4.99%	US
JOHNSON CONTROLS INTERNATIONAL PLC	Manufacturing	4.84%	IE
SOLAREDGE TECHNOLOGIES INC	Manufacturing	4.52%	IL
SCHNEIDER ELECTRIC	Manufacturing	3.94%	FR
QUEST DIAGNOSTICS INC	Human health and social work activities	3.91%	US
REPUBLIC SERVICES INC	Water supply; sewerage, waste management and remediation activities	3.72%	US
BECTON DICKINSON	Manufacturing	3.49%	US
AGILENT TECHNOLOGIES INC	Manufacturing	3.16%	US
ORSTED	Electricity, gas, steam and air conditioning supply	3.16%	DK
ANSYS INC	Information and communication	3.15%	US
ALK-ABELLO CLASS B	Manufacturing	2.92%	DK

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 80% of the Fund to be invested in sustainable investments, with at least 30% in sustainable investments with a social objective and at least 30% in sustainable investments with an environmental objective.

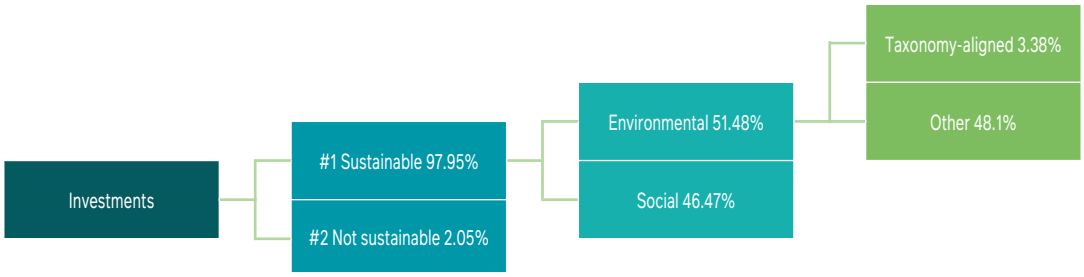
As of 31 March 2023, 97.95% of the Net Asset Value of the Fund was in sustainable investments, which is above the minimum commitment of 80%. None of the sustainable investments were expected to be aligned to the EU Taxonomy. However, 3.38% of the sustainable investments were aligned to the EU Taxonomy, while 48.10% related to investments with environmental objectives and 46.47% related to investments with a social objective.

2.05% of the Fund is comprised of "not sustainable" investments.

Asset allocation describes the share of investments in specific assets.

- ## What was the asset allocation?

  The graphic below provides an overview of the asset allocation.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Manufacturing	55.69%
Financial and insurance activities	15.13%
Human health and social work activities	6.55%
Information and communication	4.82%
Water supply; sewerage, waste management and remediation activities	3.72%
Electricity, gas, steam and air conditioning supply	3.16%
Construction	3.15%
Other	2.97%
Other service activities	2.03%
Professional, scientific and technical activities	1.55%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.03%
Education	0.21%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 3.38% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

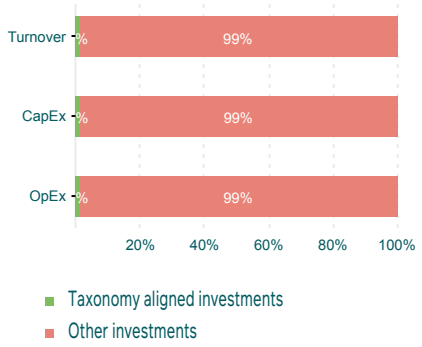
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

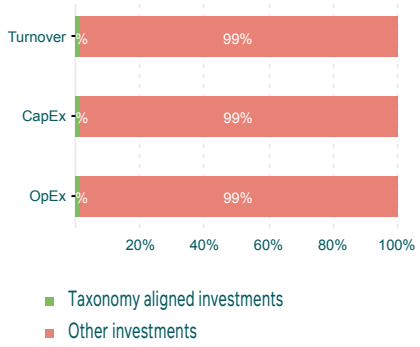
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0%
Share of Enabling Activities	0%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- **What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**
  The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 48.10%. This compares to a minimum percentage commitment of 30% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

- **What was the share of socially sustainable investments?**
  The share of sustainable investments with a social objective was 46.47%. This compares to a minimum percentage commitment of 30% stated in the Fund's precontractual disclosure.

- **What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**
  During the reference period the Fund held varying levels of cash, money market funds, and derivatives as "Other" investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below:

  Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

What actions have been taken to attain the sustainable investment objective during the reference period?
The Fund has invested in companies that have a positive societal impact through addressing the world's major social and/or environmental challenges. Its compliance with the same is reported in the sustainability indicators above.

ESG engagements are also a key focus for the fund in order to help investment companies improve their impact and sustainability standards, to support the fund's sustainable investment objective.

For example, we met with US engineering simulation software developer Ansys to encourage it to establish emission reduction targets and commit to the Science Based Targets initiative (SBTi), to disclose the drivers of its scope 1 and 2 emissions footprint and provide a timeframe for scope 3 disclosures. We also asked for disclosure of the company's 'scope 4' (avoided) emissions, to better allow us to quantify the real world impacts it was delivering.

Elsewhere, we encouraged greater gender diversity on the boards of two of our investee companies – genetic sequencing specialist Oxford Nanopore and solar power component company SolarEdge. We also engaged with Bank of Georgia, to encourage improved disclosure of data around the number of underserved/unbanked people it has served, to help us better measure its positive impact.

How did this financial product perform compared to the reference sustainable benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How did the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Short Dated Corporate Bond Fund
Legal Entity Identifier: 549300PT8Y5VIWCSER97

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ Yes ● ● ☒ No

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 68% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also included assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance)

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach were met at all times during the reporting period.

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental and/or social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allowed the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	3.87%	DE
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	2.28%	DE
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.76%	DE
INFORMA PLC	Information and communication	1.44%	GB
NATIONWIDE BUILDING SOCIETY	Financial and insurance activities	1.30%	GB
ROYAL BANK OF CANADA	Financial and insurance activities	1.28%	CA
MORGAN STANLEY	Financial and insurance activities	1.27%	US
NATIONWIDE BUILDING SOCIETY	Financial and insurance activities	1.23%	GB
PLRS 2022-1 (A)	Other	1.22%	GB
ILIAD HOLDING SAS	Other	1.21%	FR
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	1.15%	FR
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	1.14%	FR
TESCO PLC	Wholesale and retail trade; repair of motor vehicles and motorcycles	1.13%	GB
GENERAL MOTORS FINANCIAL CO INC	Financial and insurance activities	1.13%	US
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.68%	DE

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 20% in Sustainable Investments.

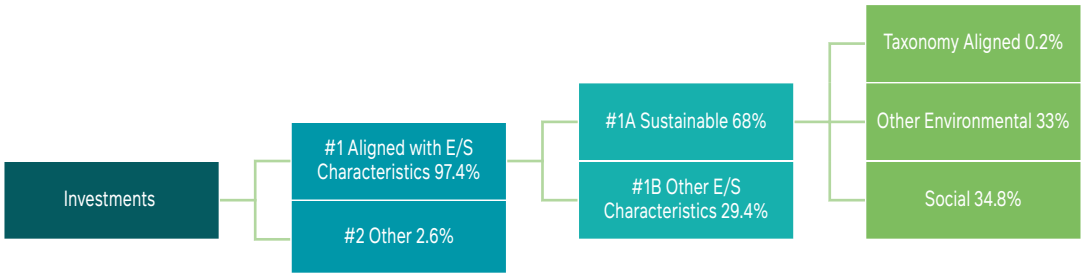
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 97.37% of NAV as at 31 March 2023. This comprised 68% of NAV in sustainable investments, and the remaining 29.38% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.21% were aligned to the EU Taxonomy. 32.98% related to investments with other environmental characteristics, and 34.81% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	41.22%
Other	23.23%
Public administration and defence; compulsory social security	13.21%
Manufacturing	8.09%
Information and communication	5.51%
Electricity, gas, steam and air conditioning supply	2.32%
Transportation and storage	2.07%
Real estate activities	1.10%
Administrative and support service activities	0.53%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.39%
Accommodation and food service activities	1.00%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0.21% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

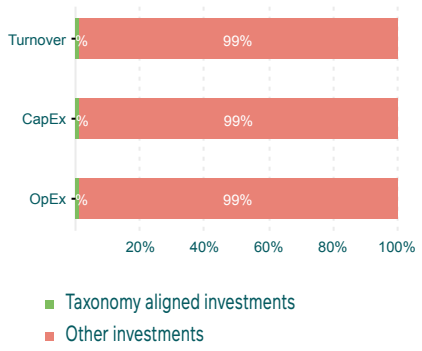
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

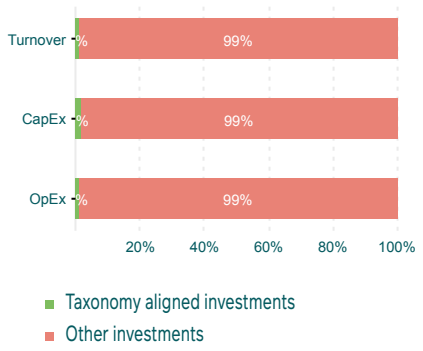
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 81.13% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional activities over the period was 0% and in enabling activities 0.17%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0%
Share of enabling activities	0.17%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 32.98%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 34.81%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held cash and near cash, FX derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for normal liquidity management purposes. No minimum environmental or social safeguards were applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e., UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?
The Fund applied an exclusion policy to achieve its Exclusionary Approach. Its compliance with the same is reported in the sustainability indicators section above.

How did this financial product perform compared to the reference benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Sustainable Allocation Fund
Legal Entity Identifier: 549300G7EE7U31UKHL78

Sustainable investment objective

Did this financial product have a sustainable investment objective?

● ● [x] **Yes** ● ● [ ] **No**

[x] It made **sustainable investments with an environmental objective**: 67.2%

- [x] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [x] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

[x] It made **sustainable investments with a social objective**: 30.12%

[ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

- [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [ ] with a social objective

[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The fund contributed to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation, in line with its sustainable investment objective. The strength of the fund's performance against this objective is evaluated in the sustainability indicators section below.

The alignment percentage indicated in the graphic below shows the allocation between sustainable investments made in pursuit of the sustainable investment objective and "Other" investments.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

- **How did the sustainability indicators perform?**

  As part of the climate focus of the fund, we aim to assess our holdings not only relative to their current carbon emissions and emission intensity but also on the basis of their climate transparency, governance and ambition as represented by clear reduction targets.

  It is encouraging to see that a significant amount of holdings now have SBTi-aligned targets. These organisations are increasingly embedding sustainability-led approaches within their organisations that could help prevent the worst impacts of climate change and future-proof their business growth.

  It also encouraging to see that over half of fund holdings now consist of positive impact assets. Our allocation to attractively valued impact assets has increased in recent years as the pool of eligible investments has grown as companies and governments strive to adapt products and solutions to meet the world's social and environmental challenges.

  The fund's declining weighted average carbon emissions intensity reflects the decisions made in the investment process and growing climate data accessibility to inform our decisions. The fund also holds several investments in renewable energy infrastructure and solution providers.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Change in CO2 emissions intensity over the previous three year period CAGR Corporate	-8.24 CAGR 3Y	71.60%	64.14%
Change in CO2 emissions intensity over the previous three year period CAGR Sovereign	-3.53 CAGR 3Y	21.33%	73.90%
Percentage (%) of sovereigns party to the Paris Agreement	73.90%	21.33%	73.90%
Weighted average carbon intensity (WACI) for the fund	59.14 tCO2e /€m sales	71.60%	88.44%
Percentage (%) of NAV with ratified Science-Based Targets (SBTs)	26.44%	83.46%	50.89%
Percentage (%) of corporate issuers participating in the Carbon Disclosure Project (CDP)	68.14%	71.60%	89.61%
Tonnes of CO2 emissions avoided by positive impact investments	385911148 tCO2e	83.47%	17.23%
Percentage (%) of sovereign ranked above the Social Progress Index (SPI) Global Average, which assesses how well a society provides its people with material needs, and does not have a negative 5 year trend	96.53%	21.33%	96.53%
Number of underserved people reached including patients treated, customers served etc. by positive impact investments	110.8 Million people	83.47%	26.60%
Percentage (%) of NAV invested in positive impact assets in the Fund	52.70%	100%	100%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:
  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
INTER-AMERICAN DEVELOPMENT BANK	Activities of extraterritorial organisations and bodies	5.71%	SP
TREASURY BOND	Public administration and defence; compulsory social security	5.65%	US
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	2.54%	DE
INTER-AMERICAN DEVELOPMENT BANK	Activities of extraterritorial organisations and bodies	2.35%	SP
CHILE (REPUBLIC OF)	Public administration and defence; compulsory social security	2.17%	CL
COLOMBIA (REPUBLIC OF)	Public administration and defence; compulsory social security	2.11%	CO
INTERNATIONAL BANK FOR RECONSTRUCT	Activities of extraterritorial organisations and bodies	1.82%	SP
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.70%	DE
GREENCOAT RENEWABLES PLC	Financial and insurance activities	1.65%	IE
INTER-AMERICAN DEVELOPMENT BANK	Activities of extraterritorial organisations and bodies	1.58%	SP
OCTOPUS RENEWABLES INFRASTRUCTURE	Financial and insurance activities	1.58%	GB
UK CONV GILT	Public administration and defence; compulsory social security	1.39%	GB
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.31%	DE
CHILE (REPUBLIC OF)	Public administration and defence; compulsory social security	1.13%	CL
EUROPEAN INVESTMENT BANK	Financial and insurance activities	1.11%	SP

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 70% of the Fund to be invested in sustainable investments, in pursuit of the sustainable investment objective, with at least 20% in sustainable investments with a social objective and at least 30% in sustainable investments with an environmental objective.

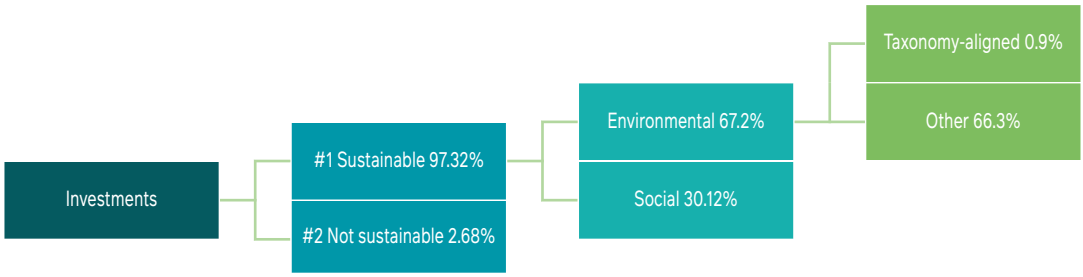
As of 31 March 2023, 97.32% of the Net Asset Value of the Fund was in sustainable investments, which is above the minimum commitment of 70%. Whilst the fund did not commit to invest in investments aligned to the EU Taxonomy, 0.90% of the sustainable investments were aligned to the EU Taxonomy. 66.30% related to investments with environmental objectives and 30.12% related to investments with a social objective.

2.68 % of the Fund is comprised of "not sustainable" investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphic below provides an overview of the asset allocation.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	21.55%
Public administration and defence; compulsory social security	20.47%
Manufacturing	18.59%
Activities of extraterritorial organisations and bodies	16.55%
Information and communication	5.85%
Other	5.76%
Real estate activities	2.42%
Electricity, gas, steam and air conditioning supply	2.32%
Human health and social work activities	1.97%
Construction	1.92%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.18%
Water supply; sewerage, waste management and remediation activities	0.53%
Education	0.45%
Professional, scientific and technical activities	0.44%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 0.90% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

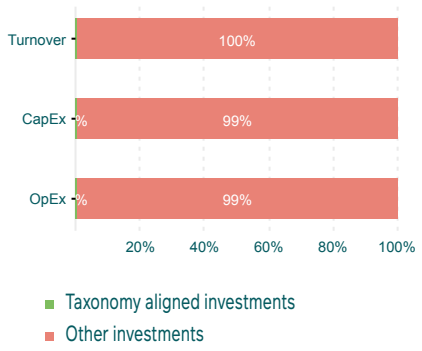
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

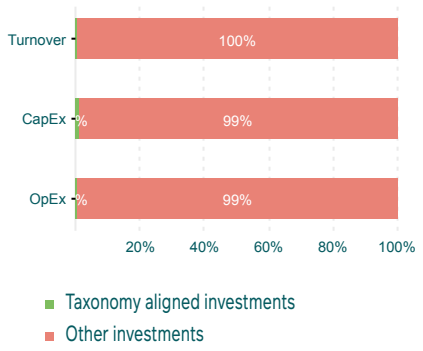
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 76% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.*

- **What was the share of investments made in transitional and enabling activities?**
  The share of the Fund's investments made in transitional activities was 0.02% and in enabling activities was 0.13% over the period. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0.02%
Share of enabling activities	0.13%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 66.30%. This compares to a minimum percentage commitment of 30% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of sustainable investments with a social objective was 30.12%. This compares to a minimum percentage commitment of 20% stated in the Fund's precontractual disclosure.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held varying levels of cash, near cash, FX and FX forwards as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied.

As part of the fund merger between the Fund and M&G (Lux) Conservative Allocation Fund on 21 October 2022, two sanctioned Russian-listed securities were transferred into the beneficial ownership of the Fund. As both funds have been prohibited from selling these assets, they have remained in a custody account of M&G (Lux) Conservative Allocation Fund.

What actions have been taken to attain the sustainable investment objective during the reference period?
The Fund contributed to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation. Its compliance with the same is reported in the sustainability indicators above.

ESG engagements are also a key focus for the fund in order to help investment companies improve their impact and sustainability standards, to support the fund's sustainable investment objective. An example of an engagement carried out in 2022 was with Ball Corporation, the world's leading aluminium packaging specialist. The objective of the engagement was to encourage the firm's decarbonisation plans and push for increased ambition around scope 3 emissions. We met with the company's chief sustainability officer in May 2022 to discuss these matters. The company announced that it will be publishing a recycling roadmap in September 2022, aimed at ensuring a 1.5°C pathway for its Scope 3 emissions.

We divested from LG Corp in the beginning of 2023 following a downgrade in its MSCI ESG score due to governance related issues.

How did this financial product perform compared to the reference sustainable benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How did the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund
Legal Entity Identifier: 2549007K6TQBRKISX148

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 61.08% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also included assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that were considered to do significant harm to environmental and/or social objectives.

The Fund had a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe ("Positive ESG Outcome"). The Fund's calculation methodology did not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**

The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and strategy to achieve a Positive ESG Outcome were met nearly all of the time during the reporting period. The Fund's exclusions were breached on three occasions.

The exclusions were passively breached on one occasion as a result of a holding receiving an ESG rating downgrade. However, as the holding is a Russian sanctioned security, the portfolio is currently unable to trade the stock and it remains as a holding. On another occasion, we accidentally traded on a debut bond issue (Freeport Indonesia) where information was not systematically available to show it was a UNGC violator. The stock was sold the following day and the fund was compensated. Following changes to the Fund's ESG screening in October 2021, the Fund failed to sell a local currency government bond issued in Kazakhstan tenge, which had been bought prior to Freedom House screening being introduced. (Kazakhstan is an ESG-failing country, according to Freedom House rules, and by extension holding its currency is excluded.) The bond matured in May 2023, before the breach was detected, realising a gain for the Fund, and is no longer held by the Fund.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Sub-Fund's assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 May 2023			
Portfolio weighted average ESG score for the fund	6.37 ESG Score	86.40%	73.71%
Portfolio weighted average ESG score for the Investment Universe	5.25 ESG Score	93.01%	42.21%
Weighted average carbon intensity (WACI) for the fund	126. 93 tCO2e /€m sales	86.40%	76.69%
Weighted average carbon intensity (WACI) for the Investment Universe	584.83 tCO2e /€m sales	93.10%	43.17%

- **...and compared to previous periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager used a series of proprietary tests based on available data to determine whether and how an investment made positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they were required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)

3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?
For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above.

For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
BOC AVIATION PTE LTD	Administrative and support service activities	1.91%	US
TSMC GLOBAL LTD	Financial and insurance activities	1.76%	VG
LENOVO GROUP LTD	Manufacturing	1.50%	HK
GREENKO SOLAR MAURITIUS LTD	Other	1.48%	MU
BANGKOK BANK PUBLIC CO LTD (HONG K	Financial and insurance activities	1.29%	HK
VM HOLDING SA	Mining and quarrying	1.27%	LU
MAF GLOBAL SECURITIES LTD	Financial and insurance activities	1.18%	KY
TELEFONICA CELULAR DEL PARAGUAY SA	Information and communication	1.15%	PY
SAGICOR FINANCIAL COMPANY LTD (BAR	Financial and insurance activities	1.15%	BM
EASTERN AND SOUTHERN AFRICAN TRADE	Other	1.13%	SP
BANCO DO BRASIL (GRAND CAYMAN BRAN	Financial and insurance activities	1.10%	KY
NETWORK I2I LTD	Information and communication	1.07%	IN
BBVA BANCOMER SA (TEXAS BRANCH)	Financial and insurance activities	1.06%	US
BIDVEST GROUP (UK) PLC	Administrative and support service activities	1.05%	GB
TREASURY NOTE	Public administration and defence; compulsory social security	2.21%	US

What was the proportion of sustainability-related investments?

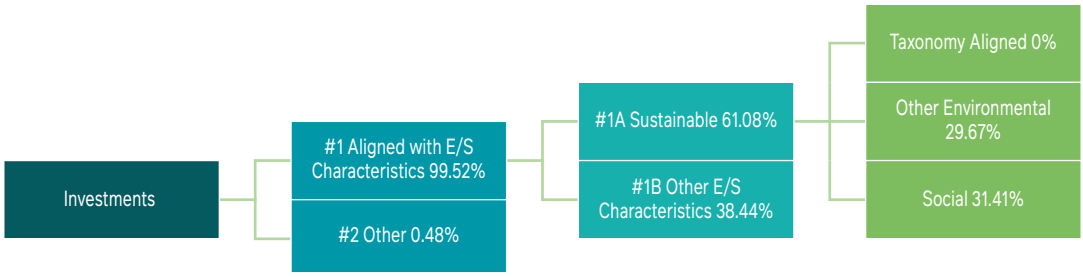
In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 70% of the Fund to be aligned to the promoted E/S characteristics and for a minimum of 40% of the Fund to be in Sustainable Investments.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 99.52% of NAV as at 31st March 2023. This comprised 61.08% of NAV in sustainable investments, and the remaining 38.44% of NAV in investments with other environmental and or social characteristics.

The Fund did not commit to invest in investments aligned to the EU Taxonomy, 0% were aligned to the EU Taxonomy, while 29.67% related to investments with other environmental characteristics, and 31.41% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**
  The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	46.01%
Information and communication	12.32%
Public administration and defence; compulsory social security	11.50%
Manufacturing	9.15%
Mining and quarrying	4.30%
Electricity, gas, steam and air conditioning supply	3.57%
Administrative and support service activities	3.37%
Other	2.75%
Wholesale and retail trade; repair of motor vehicles and motorcycles	2.40%
Transportation and storage	1.34%
Activities of extraterritorial organisations and bodies	0.90%
Real estate activities	0.87%
Accommodation and food service activities	0.59%
Construction	0.52%
Agriculture, forestry and fishing	0.22%
Other service activities	0.20%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was
0%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

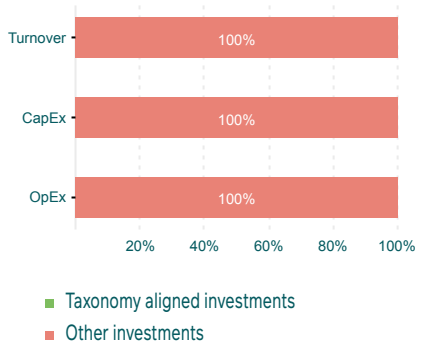
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

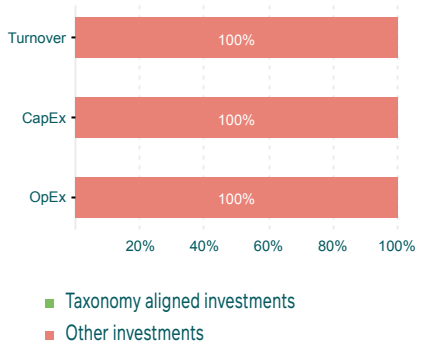
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 88.19% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional and enabling activities over the period was 0%. This compares to a minimum percentage commitment of 0% stated in the Sub-Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0%
Share of Enabling Activities	0%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- **What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 29.67%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?

The share of socially sustainable investments was 31.41%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash and money market funds, and FX derivatives as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach and met its strategy to achieve a Positive ESG Outcome. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Sustainable Global High Yield Bond Fund
Legal Entity Identifier: 222100FNZWQINHRH8058

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 63.66% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also included assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that were considered to do significant harm to environmental and/or social objectives.

The Fund had a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe ("Positive ESG Outcome"). The Fund's calculation methodology did not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe.

At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance)

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**

The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and strategy to achieve a Positive ESG Outcome were met nearly all of the time during the reporting period. The Fund's exclusions were passively breached on one occasion as a result of a stock receiving an ESG rating downgrade, following which it was sold.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

The 'Eligibility' figure is a measure of the percentage of Sub-Fund's assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Weighted average carbon intensity (WACI) for the fund	120.10 tCO2e /€m sales	89.54%	87.45%
Weighted average carbon intensity (WACI) for the Investment Universe	355.28 tCO2e /€m sales	93.13%	42.06%
Portfolio weighted average ESG score for the fund	6.13 ESG Score	89.54%	87.80%
Portfolio weighted average ESG score for the Investment Universe	5.21 ESG Score	93.13%	41%

- **...and compared to previous periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they were required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e., not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above.

  These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?
For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above.

For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
EUROPEAN INVESTMENT BANK	Financial and insurance activities	1.14%	SP
EUROPEAN INVESTMENT BANK	Financial and insurance activities	1.12%	SP
MACYS RETAIL HOLDINGS LLC	Financial and insurance activities	1.09%	US
SPRINT CORP	Information and communication	1.07%	US
UNICREDIT SPA	Financial and insurance activities	1.02%	IT
NETFLIX INC	Information and communication	0.98%	US
KBC GROEP NV	Financial and insurance activities	0.96%	BE
JAZZ SECURITIES DAC	Financial and insurance activities	0.95%	IE
BANCO BILBAO VIZCAYA ARGENTARIA SA	Financial and insurance activities	0.95%	ES
SAPPI PAPIER HOLDING GMBH	Manufacturing	0.95%	AT
BERRY GLOBAL INC	Manufacturing	0.94%	US
VODAFONE GROUP PLC	Information and communication	0.90%	GB
GREENKO SOLAR MAURITIUS LTD	Other	0.90%	MU
GRUPO KUO SAB DE CV	Manufacturing	0.89%	MX
TREASURY NOTE	Public administration and defence; compulsory social security	1.35%	US

What was the proportion of sustainability-related investments?

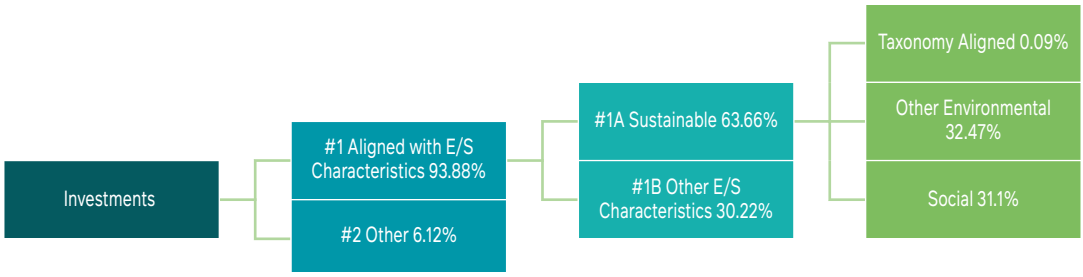
In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 70% of the Fund to be aligned to the promoted E/S characteristics and for a minimum of 40% of the Fund to be in Sustainable Investments.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 93.88% of NAV as at 31 March 2023. This comprised 63.66% of NAV in sustainable investments, and the remaining 30.22% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.09% were aligned to the EU Taxonomy. 32.47% related to investments with other environmental characteristics, and 31.10% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**
  The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	33.62%
Information and communication	17.84%
Manufacturing	15.65%
Other	8.35%
Wholesale and retail trade; repair of motor vehicles and motorcycles	6.09%
Human health and social work activities	5.74%
Administrative and support service activities	2.59%
Transportation and storage	2.26%
Public administration and defence; compulsory social security	2.13%
Construction	1.68%
Accommodation and food service activities	1.68%
Real estate activities	0.99%
Professional, scientific and technical activities	0.61%
Water supply; sewerage, waste management and remediation activities	0.39%
Other service activities	0.21%
Electricity, gas, steam and air conditioning supply	0.18%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0.09%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

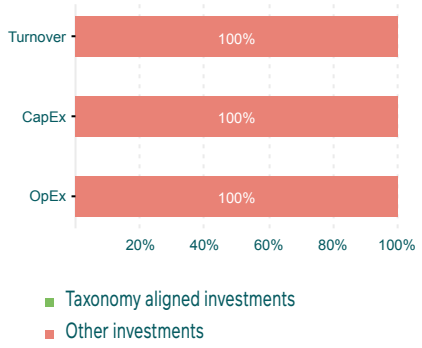
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

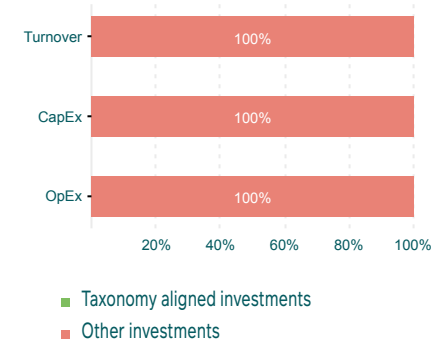
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional activities over the period was 0% and in enabling activities 0.02%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0.00%
Share of enabling activities	0.02%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 32.47%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?

The share of socially sustainable investments was 31.10%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash, FX and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach and met its strategy to achieve a Positive ESG Outcome. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Sustainable Macro Flexible Credit Fund
Legal Entity Identifier: 254900MBYTIXGWFWME22

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 67.57% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also included assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that were considered to do significant harm to environmental and/or social objectives.

The Fund had a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe ("Positive ESG Outcome"). The Fund's calculation methodology did not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance)

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and strategy to achieve a Positive ESG Outcome were met at all times during the reporting period.

  Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

  The 'Eligibility' figure is a measure of the percentage of Sub-Fund's assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	7.15 ESG Score	56.98%	68.96%
Portfolio weighted average ESG score for the Investment Universe	6.13 ESG Score	52.68%	28.47%
Weighted average carbon intensity (WACI) for the fund	82.96 tCO2e /€m sales	56.98%	70.72%
Weighted average carbon intensity (WACI) for the Investment Universe	271.92 tCO2e /€m sales	52.67%	29.20%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

  The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they were required to pass a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?
For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above.

For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	3.04%	FR
TREASURY NOTE	Public administration and defence; compulsory social security	2.66%	US
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	2.41%	DE
TREASURY NOTE	Public administration and defence; compulsory social security	1.31%	US
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	1.27%	DE
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	0.73%	FR
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	0.72%	DE
TREASURY (CPI) NOTE	Public administration and defence; compulsory social security	0.62%	US
CANADA (GOVERNMENT OF)	Public administration and defence; compulsory social security	0.57%	CA
AUSTRALIA (COMMONWEALTH OF)	Public administration and defence; compulsory social security	0.54%	AU
TREASURY NOTE	Public administration and defence; compulsory social security	0.52%	US
TREASURY (CPI) NOTE	Public administration and defence; compulsory social security	0.52%	US
NORWAY (KINGDOM OF)	Public administration and defence; compulsory social security	0.50%	NO
NETHERLANDS (KINGDOM OF)	Public administration and defence; compulsory social security	0.37%	NL

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 70% of the Fund to be aligned to the promoted E/S characteristics and for a minimum of 51% of the Fund to be in Sustainable Investments.

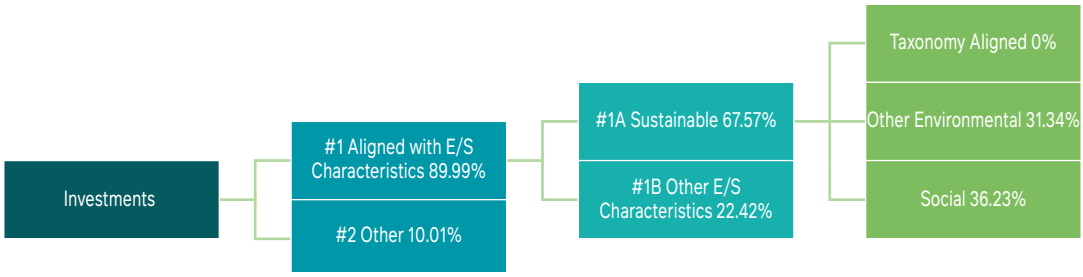
Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 89.99% of NAV as at 31st March 2023. This comprised 67.57% of NAV in sustainable investments, and the remaining 22.42% of NAV in investments with other environmental and or social characteristics.

The Fund did not commit to invest in investments aligned to the EU Taxonomy, 0% were aligned to the EU Taxonomy, while 31.34% related to investments with other environmental characteristics, and 36.23% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

- ## What was the asset allocation?

  The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	48.69%
Public administration and defence; compulsory social security	19.05%
Other	9.00%
Manufacturing	7.86%
Information and communication	3.50%
Real estate activities	3.01%
Electricity, gas, steam and air conditioning supply	1.72%
Transportation and storage	1.70%
Professional, scientific and technical activities	0.99%
Administrative and support service activities	0.97%
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.97%
Human health and social work activities	0.79%
Activities of extraterritorial organisations and bodies	0.69%
Administrative and support service activities	0.61%
Accommodation and food service activities	0.42%
Construction	0.26%
Other service activities	0.19%
Water supply; sewerage, waste management and remediation activities	0.15%
Mining and quarrying	0.05%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

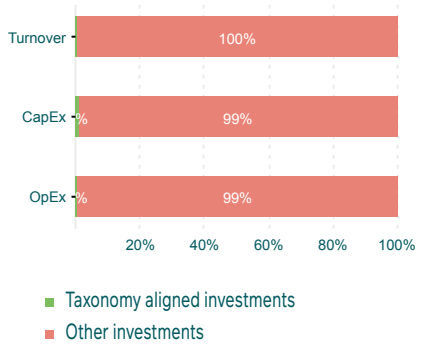
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

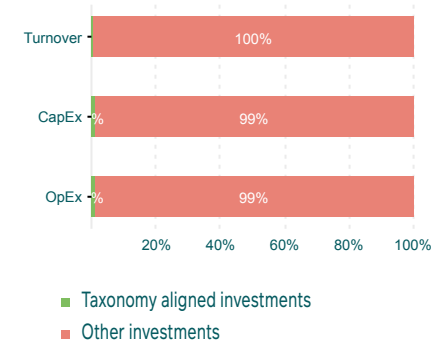
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 93.37% of the total investments.

For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What was the share of investments made in transitional and enabling activities?

The share of the Fund's investments made in transitional and enabling activities over the period was 0.01%. This compares to a minimum percentage commitment of 0.16% stated in the Sub-Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0.01%
Share of enabling activities	0.16%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 31.34%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?
The share of socially sustainable investments was 36.23%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?
During the reference period the Fund held cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics

What actions have been taken to meet the environmental and/or social characteristics during the reference period?
The Fund applied an exclusion policy to achieve its Exclusionary Approach and met its strategy to achieve a Positive ESG Outcome. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?
N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Sustainable Multi Asset Growth Fund
Legal Entity Identifier: 254900DTG2UFJ7LAT088

Sustainable investment objective

Did this financial product have a sustainable investment objective?

● ● [x] **Yes** ● ● [ ] **No**

[x] It made **sustainable investments with an environmental objective**: 62.39%

- [x] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [x] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

[x] It made **sustainable investments with a social objective**: 35.04%

[ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of % of sustainable investments

- [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [ ] with a social objective

[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The fund contributed to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation, in line with its sustainable investment objective. The strength of the fund's performance against this objective is evaluated in the sustainability indicators section below.

The alignment percentage indicated in the graphic below shows the allocation between sustainable investments made in pursuit of the sustainable investment objective and "Other" investments.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

As part of the climate focus of the fund, we aim to assess our holdings not only relative to their current carbon emissions and emission intensity but also on the basis of their climate transparency, governance and ambition as represented by clear reduction targets.

It is encouraging to see that a significant amount of holdings now have SBTi-aligned targets. These organisations are increasingly embedding sustainability-led approaches within their organisations that could help prevent the worst impacts of climate change and future-proof their business growth.

It also encouraging to see that nearly half of fund holdings now consist of positive impact assets. Our allocation to attractively valued impact assets has increased in recent years as the pool of eligible investments has grown as companies and governments strive to adapt products and solutions to meet the world's social and environmental challenges.

The fund's declining weighted average carbon emissions intensity reflects the decisions made in the investment process and growing climate data accessibility to inform our decisions. The fund also holds several investments in renewable energy infrastructure and solution providers.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Change in CO2 emissions intensity over the previous three year period CAGR Corporate	-8.00 CAGR 3Y	85.52%	86.16%
Change in CO2 emissions intensity over the previous three year period CAGR Sovereign	-3.83 CAGR 3Y	9.28%	62.17%
Percentage (%) of sovereigns party to the Paris Agreement	62.17%	9.28%	62.17%
Weighted average carbon intensity (WACI) for the fund	78.79 tCO2e /€m sales	85.52%	91.35%
Percentage (%) of NAV with ratified Science-Based Targets (SBTs)	33.71%	92.20%	61.30%
Percentage (%) of corporate issuers participating in the Carbon Disclosure Project (CDP)	78.92%	85.52%	92.69%
Tonnes of CO2 emissions avoided by positive impact investments	399575143 tCO2e	92.20%	20.80%
Percentage (%) of sovereign ranked above the Social Progress Index (SPI) Global Average, which assesses how well a society provides its people with material needs, and does not have a negative 5 year trend	100%	9.28%	100%
Number of underserved people reached including patients treated, customers served etc. by positive impact investments	248 Million people	92.20%	38.12%
Percentage (%) of NAV invested in positive impact assets in the Fund	46%	100%	100%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they passed a series of tests, including:
  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

  The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

  Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments also passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

How did this financial product consider principal adverse impacts on sustainability factors?

For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
GERMANY (FEDERAL REPUBLIC OF)	Public administration and defence; compulsory social security	3.03%	DE
OCTOPUS RENEWABLES INFRASTRUCTURE	Financial and insurance activities	1.99%	GB
GREENCOAT RENEWABLES PLC	Financial and insurance activities	1.95%	IE
THE RENEWABLES INFRASTRUCTURE GROU	Financial and insurance activities	1.52%	GG
HOME REIT PLC	Real estate activities	1.14%	GB
BANK OF GEORGIA GROUP PLC	Financial and insurance activities	1.11%	GE
BRAMBLES LTD	Manufacturing	1.05%	AU
NOVO NORDISK CLASS B	Manufacturing	1.04%	DK
BORALEX INC CLASS A	Electricity, gas, steam and air conditioning supply	1.01%	CA
HDFC BANK ADR REPRESENTING THREE L	Financial and insurance activities	1.00%	IN
COGNA EDUCACAO SA	Education	1.00%	US
BMW AG	Manufacturing	0.97%	DE
UNITEDHEALTH GROUP INC	Financial and insurance activities	0.97%	US
AIA GROUP LTD	Financial and insurance activities	0.96%	HK

What was the proportion of sustainability-related investments?

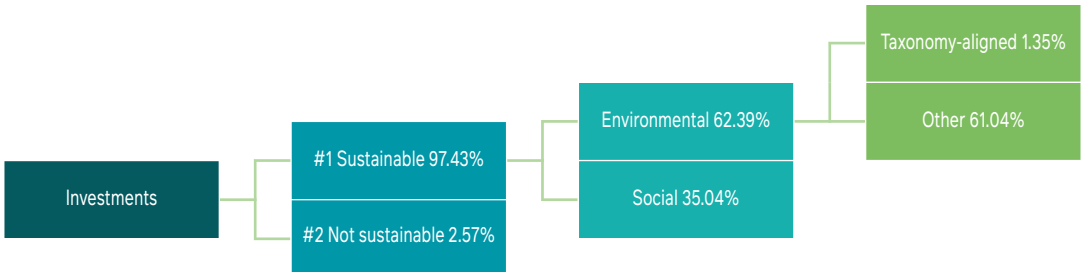
In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 70% of the Fund to be invested in sustainable investments, in pursuit of the sustainable investment objective, with at least 20% in sustainable investments with a social objective and at least 30% in sustainable investments with an environmental objective.

As of 31 March 2023, 97.43% of the Net Asset Value of the Fund was in sustainable investments, which is above the minimum commitment of 70%. Whilst the fund did not commit to invest in investments aligned to the EU Taxonomy, 1.35% of the sustainable investments were aligned to the EU Taxonomy. 61.04% related to investments with environmental objectives and 35.04% related to investments with a social objective.

2.57 % of the Fund is comprised of "not sustainable" investments.

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**
  The graphic below provides an overview of the asset allocation.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**
  The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	30.05%
Manufacturing	28.80%
Public administration and defence; compulsory social security	9.28%
Information and communication	6.79%
Electricity, gas, steam and air conditioning supply	4.38%
Real estate activities	4.09%
Construction	3.96%
Other	2.69%
Human health and social work activities	2.44%
Wholesale and retail trade; repair of motor vehicles and motorcycles	2.29%
Activities of extraterritorial organisations and bodies	2.05%
Education	1.00%
Water supply; sewerage, waste management and remediation activities	0.95%
Professional, scientific and technical activities	0.75%
Transportation and storage	0.48%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The Fund held 1.35% in Taxonomy-aligned sustainable investments during the reference period. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

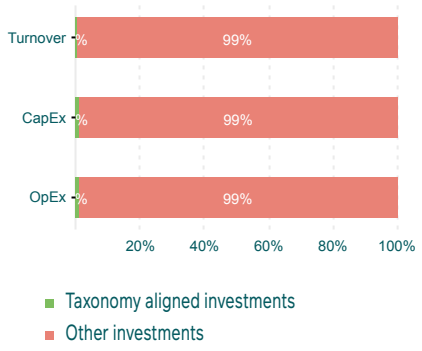
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

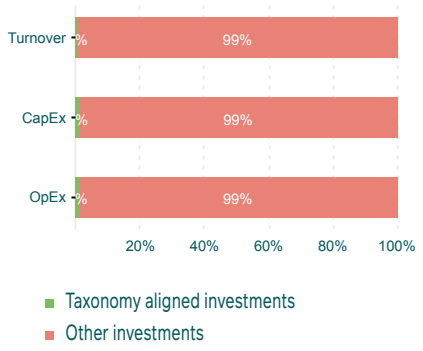
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 90.63% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*
*** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional activities was 0.01% and in enabling activities was 0.14% over the period. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of transitional activities	0.01%
Share of enabling activities	0.14%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 61.04%. This compares to a minimum percentage commitment of 30% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?

The share of sustainable investments with a social objective was 35.04%. This compares to a minimum percentage commitment of 20% stated in the Fund's precontractual disclosure.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held varying levels of cash, near cash, FX and FX forwards as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied.

What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund contributed to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation. Its compliance with the same is reported in the sustainability indicators above.

ESG engagements are also a key focus for the fund in order to help investment companies improve their impact and sustainability standards, to support the fund's sustainable investment objective. An example of an engagement carried out in 2022 was with Ball Corporation, the world's leading aluminium packaging specialist. The objective of the engagement was to encourage the firm's decarbonisation plans and push for increased ambition around scope 3 emissions. We met with the company's chief sustainability officer in May 2022 to discuss these matters. The company announced that it will be publishing a recycling roadmap in September 2022, aimed at ensuring a 1.5°C pathway for its Scope 3 emissions.

We divested from LG Corp in the beginning of 2023 following a downgrade in its MSCI ESG score due to governance related issues.

How did this financial product perform compared to the reference sustainable benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How did the reference benchmark differ from a broad market index?**
  N/A
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**
  N/A
- **How did this financial product perform compared with the reference benchmark?**
  N/A
- **How did this financial product perform compared with the broad market index?**
  N/A

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Sustainable Optimal Income Bond Fund
Legal Entity Identifier: 254900JKCO00UZ0A2X81

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ **Yes** ● ● ☒ **No**

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 67.29% of sustainable investments

- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):

The Fund excluded certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also included assessing them against the investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager promoted environmental and/or social characteristics by excluding certain investments that were considered to do significant harm to environmental and/or social objectives.

The Fund had a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe ("Positive ESG Outcome"). The Fund's calculation methodology did not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

The alignment percentage indicated in the graphic below shows the allocation between such investments and "Other" Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**
  The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and strategy to achieve a Positive ESG Outcome were met nearly all of the time during the reporting period. The Fund's exclusions were passively breached on one occasion as a result of a stock receiving an ESG rating downgrade, following which it was sold.

  Please see the below table for an overview of the Fund's performance relative to its sustainability indicator.

  The 'Eligibility' figure is a measure of the percentage of Sub-Fund's assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

Sustainability Indicator Name	Value	Eligibility	Coverage
As at - 31 March 2023			
Weighted average carbon intensity (WACI) for the fund	55.13 tCO2e /€m sales	64.34%	91.60%
Weighted average carbon intensity (WACI) for the Investment Universe	90.81 tCO2e /€m sales	62.99%	47.82%
Portfolio weighted average ESG score for the fund	7.22 ESG Score	64.34%	90.54%
Portfolio weighted average ESG score for the Investment Universe	6.49 ESG Score	62.99%	47.84%

- **...and compared to previous periods?**
  The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The Fund may allocate to sustainable investments of any type, i.e., investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment. The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as they were required to pass a series of tests, including:

  1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
  2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
  3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures were compatible with sustainable investment

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  The Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available (i.e. not just for sustainable investments), which allowed the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators was used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund were then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which were taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All investments purchased by the Fund passed the Investment Manager's good governance tests, and in addition, sustainable investments must passed tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?
For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above.

For other investments the Investment Manager's research process included consideration of Principal Adverse Impact indicators for all investments where data was available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	% Assets	Country
TREASURY NOTE	Public administration and defence; compulsory social security	3.67%	US
TREASURY NOTE	Public administration and defence; compulsory social security	3.32%	US
TREASURY NOTE	Public administration and defence; compulsory social security	2.62%	US
TREASURY NOTE	Public administration and defence; compulsory social security	1.96%	US
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	1.75%	US
FRANCE (REPUBLIC OF)	Public administration and defence; compulsory social security	1.66%	FR
TREASURY NOTE	Public administration and defence; compulsory social security	1.62%	US
TREASURY NOTE	Public administration and defence; compulsory social security	1.20%	US
UK CONV GILT	Public administration and defence; compulsory social security	1.02%	GB
AVIVA PLC	Financial and insurance activities	0.80%	GB
MORGAN STANLEY	Financial and insurance activities	0.74%	US
LEGAL & GENERAL GROUP PLC	Financial and insurance activities	0.72%	GB
DEUTSCHE TELEKOM INTERNATIONAL FIN	Financial and insurance activities	0.70%	NL
TELEFONICA EMISIONES SAU	Financial and insurance activities	0.70%	ES
TREASURY BOND	Public administration and defence; compulsory social security	0.69%	US

What was the proportion of sustainability-related investments?

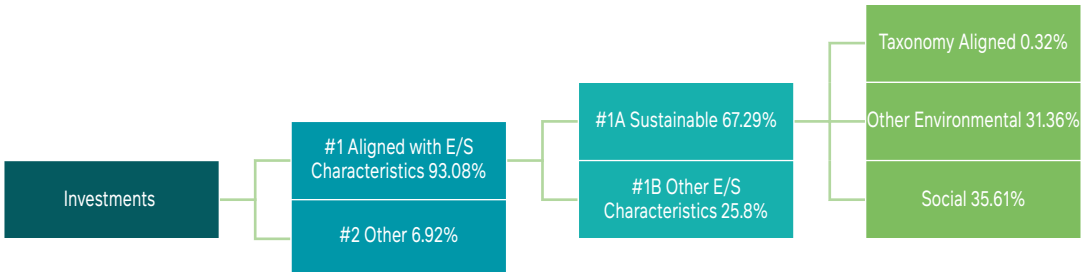
In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to a minimum of 70% of the Fund to be aligned to the promoted E/S characteristics and for a minimum of 51% of the Fund to be in Sustainable Investments.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted was 93.08% of NAV as at 31 March 2023. This comprised 67.29% of NAV in sustainable investments, and the remaining 25.80% of NAV in investments with other environmental and or social characteristics.

Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 0.32% were aligned to the EU Taxonomy. 31.36% related to investments with other environmental characteristics, and 35.61% related to socially sustainable investments.

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**
  The graphic below provides an overview of the asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown uses NACE (Nomenclature of Economic Activities) and is expressed as a % of Net Asset Value (NAV).

Economic sector	% Assets
Financial and insurance activities	45.67%
Public administration and defence; compulsory social security	26.80%
Other	8.86%
Information and communication	5.99%
Manufacturing	5.31%
Electricity, gas, steam and air conditioning supply	2.10%
Real estate activities	1.09%
Administrative and support service activities	0.87%
Human health and social work activities	0.87%
Accommodation and food service activities	0.77%
Activities of extraterritorial organisations and bodies	0.59%
Construction	0.53%
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.31%
Transportation and storage	0.17%
Professional, scientific and technical activities	0.07%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 0.32%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. The information was obtained from public disclosures.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

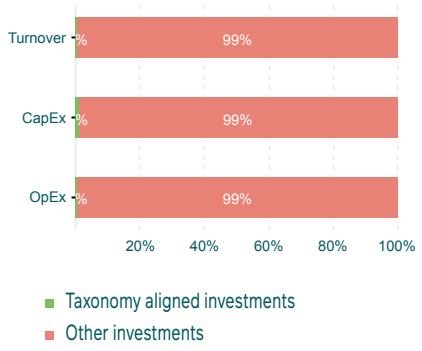
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

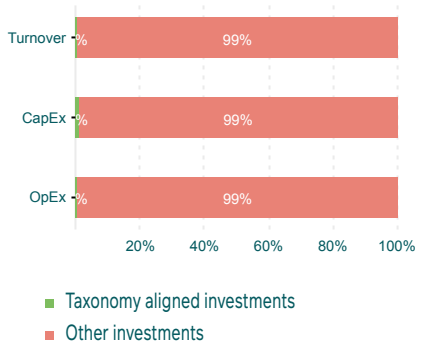
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 72.12% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional activities over the period was 0% and in enabling activities 0.07%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.00%
Share of Enabling Activities	0.07%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund is not yet able to provide comparison to a previous reporting period as this is the Fund's first SFDR Level 2 Periodic Report. The Fund will provide historic comparison in the next Periodic Report.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 31.36%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) stated in the Fund's precontractual disclosure.

What was the share of socially sustainable investments?

The share of socially sustainable investments was 35.61%.This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, near cash, FX and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach and met its strategy to achieve a Positive ESG Outcome. Its compliance with the same is reported in the sustainability indicators above.

How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  N/A

- **How did this financial product perform compared with the reference benchmark?**
  N/A

- **How did this financial product perform compared with the broad market index?**
  N/A

Glossary (unaudited)

1933 Act The United States Securities Act of 1933, as amended.

1940 Act The United States Securities Act of 1940, as amended.

Accumulation shares Shares in respect of which all earnings are accumulated and added to the capital property of a Fund.

Administration agreement The administration agreement dated 14 September 2018 pursuant to which the Administrator is appointed to provide services with respect to the Fund.

Administrator State Street Bank International GmbH, Luxembourg Branch.

Ancillary liquid assets Refers to liquid assets such as cash deposits (at sight).

Articles Articles of incorporation of the Fund.

Auditor Ernst & Young S.A.

Base currency The base currency of the Fund is the Euro.

Business day Unless otherwise stated in a Supplement, any day when the banks are fully open for normal banking business in both England and Luxembourg (excluding 24 December and 31 December).

Class or Class of shares or Share class A class of shares in issue or to be issued.

CSDR European regulation No. 09/20142 aiming to improve securities settlement in the EU and within its central securities depositories (CSDs)

CSSF The Luxembourg Commission de Surveillance du Secteur Financier, being the Luxembourg regulatory authority in charge of the supervision of UCIs in the Grand-Duchy of Luxembourg 'CSSF Circular 04/146' (the CSSF Circular 04/146 of 17 June 2004 regarding the protection of undertakings for collective investment and their investors against late trading and market timing practices), as amended 'CSSF Regulation 12/02' the CSSF Regulation 12/02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended.

Dealing day Unless otherwise stated in a Supplement, any Business Day.

Dealing request deadline Such time in respect of any relevant Dealing Day as shall be specified in the relevant Supplement for that Fund or such other time as the Directors may determine.

Depositary State Street Bank International GmbH, Luxembourg Branch.

Depositary agreement The depositary agreement dated 5 December 2016 pursuant to which the Depositary is appointed to provide depositary services to the Fund.

Directors The members of the Board of Directors of the Fund for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time.

Distribution shares Shares in respect of which dividends may be distributed periodically to Shareholders.

ESMA The European Securities and Markets Authority or its successor authority.

ESMA guidelines 2014/937 Refers to the guidelines on ETFs and other UCITS issues published on 1 August 2014 by ESMA (ESMA/2014/937), as implemented in Luxembourg and entered into force on 1 October 2014 as may be amended, supplemented and/or implemented from time to time.

EU The European Union.

Euribor The Euro Interbank Offered Rate, which is based on the average interest rates at which a panel of European banks borrow money from one another.

FATCA The provisions of the US HIRE Act generally referred to as the Foreign Account Tax Compliance Act.

FCA The Financial Conduct Authority or its successor authority in the United Kingdom.

FCA rules The rules of the FCA, as the same may be amended from time to time.

Fund M&G (Lux) Investment Funds 1.

Group or Group of companies Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules, as amended.

Hedged share classes Those classes where a currency hedging strategy is applied.

Glossary (unaudited)

Ineligible investor Any person to whom a transfer of shares (legally or beneficially) or by whom a holding of shares (legally or 3 beneficially) would or, in the opinion of the Directors, might: a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such shares; or b) require the Fund, the Management Company or the Investment manager to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its shares, whether in the United States of America or any other jurisdiction; or c) cause the Fund, its Shareholders, the Management Company or the Investment manager some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Fund, its Shareholders, the Management Company or the Investment manager might not otherwise have incurred or suffered 'Initial Offer Period' (the period set by the Directors in relation to any Fund or Class of shares as the period during which shares are initially on offer and as specified in the relevant Supplement).

Institutional investor As defined in the UCI Law and by guidelines or recommendations issued by the CSSF from time to time.

Investment management agreement The investment management agreement dated 7 December 2018 pursuant to which the investment manager is appointed to provide discretionary investment management services to the Fund and the sub-funds.

Investment manager M&G Investment Management Limited.

IRS The US Internal Revenue Service.

KID Key Information Documents, a legally required pre-contractual document describing in brief the objectives, policies, risks, costs, past performance and other relevant information for a given Share Class of a given sub-fund.

Luxembourg The Grand-Duchy of Luxembourg.

Management Agreement The management agreement dated 1 October 2018 pursuant to which the Management Company is appointed by the Fund.

Management Company M&G Luxembourg S.A.

Member state A member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the European Union, within the limits set forth by this agreement 4 and related acts, are considered as equivalent to member states of the European Union.

Money market instruments Instruments normally dealt on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by guidelines issued by the CSSF from time to time.

Net Asset Value The net asset value of the Fund, a sub-fund or a Class (as the context may require) as calculated in accordance with the Articles and the Prospectus.

Net Asset Value per share The Net Asset Value in respect of any sub-fund or Class divided by the number of shares of the relevant sub-fund or Class in issue at the relevant time.

Non-Member State Any state which is not a Member State.

OECD The Organisation for Economic Co-operation and Development.

OECD CRS OECD Common Reporting Standard.

OTC (over the counter) derivative A derivative instrument entered into with an approved counterparty outside of an exchange.

Price per share Unless otherwise defined in a Supplement, the Net Asset Value per Share attributable to the shares issued in respect of a sub-fund or Class, plus or minus any attributable swing price adjustment, as described in the section of this Prospectus entitled 'Swing Pricing and Dilution Levy'.

Prospectus The Prospectus, as may be amended or supplemented from time to time.

Reference currency The currency of the relevant sub-fund.

Registrar and transfer agent RBC Investor Services Bank S.A.

Registrar and transfer agency agreement The registrar and transfer agency agreement dated 6 December 2016 pursuant to which the registrar and transfer agent is appointed to provide certain registration and transfer agency services in respect of the Fund.

Regulated market A regulated market according to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC ('MiFID'). A list of EU-regulated markets according to MiFID is regularly updated and published by the European Commission.

Share or shares Shares of any Class in the sub-fund as the context requires.

Glossary (unaudited)

Share class currency The currency of the relevant Class.

Shareholder A person registered as the holder of shares on the sub-fund's register of shareholders.

Sub-fund A specific pool of assets established within the Fund, within the meaning of Article 181 of the UCI Law.

Sub-fund manager An employee of M&G FA Limited who manages the investment of money on its behalf.

Supplement A supplement to the Prospectus specifying certain information in respect of a sub-fund and/or one or more classes.

Transferable securities (i) shares and other securities equivalent to shares ('shares'); (ii) bonds and other debt instruments ('debt securities'); and (iii) any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as Techniques and Instruments as described in the Prospectus (Appendix 1) for M&G (Lux) Investment Funds 1.

UCI(s) Undertaking(s) for collective investment.

UCI law The Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time.

UCITS An undertaking for collective investment in transferable securities established pursuant to the UCITS Directive.

UCITS directive The Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU as regards depositary functions, remuneration policies and sanctions.

United States, US or USA The United States of America (including the States and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction.

Valuation day Unless otherwise stated in a Supplement, any Business Day.

M&G Luxembourg S.A. is authorised and regulated by the Commission de Surveillance du Secteur Financier. The Fund's registered office is 16, boulevard Royal, 2449 Luxembourg, Luxembourg.

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