



M&G Global Dividend Fund

Interim Long Report and unaudited Financial Statements
for the six months ended 30 September 2019

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M&G Global Dividend Fund

Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Global Dividend Fund presents its Interim Long Report and unaudited Financial Statements for the six months ended 30 September 2019.

Please note that we have included an explanation of key investment terminology in the 'Glossary' (at the back of this report).

Company information

This Open-Ended Investment Company (OEIC) is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000. The Company is a UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA.

The Company was authorised on 9 July 2008 and the fund was launched on 18 July 2008.

The Company's principal activity is to carry on business as an OEIC.

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

Fund manager

Stuart Rhodes is employed by M&G Limited which is an associate of M&G Securities Limited.

ACD

M&G Securities Limited,
10 Fenchurch Avenue, London EC3M 5AG, UK
Telephone: 0800 390 390 (UK only)

(Authorised and regulated by the Financial Conduct Authority. M&G Securities Limited is a member of the Investment Association and of the Tax Incentivised Savings Association.)

Directors of the ACD

M Ammon*, G N Cotton**, C Dobson (non executive director),
N M Donnelly, P R Jelfs, M McGrade (non executive director),
L J Mumford

* Resigned 17 October 2019.

** Resigned 27 September 2019.

Investment manager

M&G Investment Management Limited,
10 Fenchurch Avenue, London EC3M 5AG, UK
Telephone: +44 (0)20 7626 4588
(Authorised and regulated by the Financial Conduct Authority)

Registrar

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

Depositary

NatWest Trustee & Depositary Services Limited, Drummond House,
1 Redheughs Avenue, Edinburgh EH12 9RH, UK
(Authorised and regulated by the Financial Conduct Authority)

Independent auditor

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

Important information

On 8 April 2019 M&G Global Dividend Fund launched Sterling Class 'PP' Accumulation shares.

As mentioned in the shareholder letter on 17 June 2019, we have made changes to the way we charge for M&G funds based in the UK, starting on Thursday 1 August 2019. The annual charge should be simpler to understand and easier to compare with other fund charges. We have combined all the charges that make up the current ongoing charge figure (OCF) into a single annual charge. Only exceptional items such as unforeseen legal and tax expenses, also known as extraordinary expenses, will be excluded from the annual charge. To find out the new annual charge and the OCF which are shown in the Key Investor Information Document (KIID) for the share class(es) you are invested in, visit our website www.mandg.co.uk.

On 5 August 2019 M&G Global Dividend Fund launched Sterling Class 'PP' Income shares.

Investor information

The Prospectus, Instrument of Incorporation, Key Investor Information Documents, Costs and Charges illustration, the latest Annual or Interim Investment Report and Financial Statements as well as a list of purchases and sales are available free of charge on request from the following addresses. The Instrument of Incorporation can also be inspected at our offices or at the office of the Depositary.

Customer services and administration for UK clients:

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

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

Telephone: 0800 390 390 (UK only)

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

Customer services and administration for non-UK clients:

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

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

Telephone: +352 2605 9944

Email: csmandg@rbc.com

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

M&G Global Dividend Fund

Authorised Corporate Director's Report

Investor information

Austrian paying and information agent:

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

Belgian financial agent:

Société Générale Private Banking NV,
Kortrijksesteenweg 302, 9000 Gent, Belgium

Danish representative agent:

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

French centralising agent:

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

German information agent:

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

Greek paying agents and distributors:

Alpha Bank A.E.,
40 Stadiou Street, 10252 Athens, Greece
Eurobank Ergasias S.A.,
8 Othonos Street, 10557 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 – The IFSC, Dublin 1, Ireland

Italian paying agents:

Allfunds Bank, S.A.,
Via Santa Margherita 7, 20121 Milano, Italy
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
BNP PARIBAS Securities Services,
Piazza Lina Bo Bardi 3, 20124 Milano, Italy
CACEIS Bank Luxembourg,
Milan Branch, Piazza Cavour 2, 20121 Milano, Italy
RBC Investor Services Bank S.A., Milan Branch
Via Vittor Pisani 26, 20124 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

Portuguese distributor:

Best - Banco Electrónico de Serviço Total, S.A.,
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Spanish representative:

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

Swedish paying agent:

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

Swiss paying agent and representative:

Société Générale, Paris, Zurich Branch,
Talacker 50, 8021 Zurich, Switzerland

Authorised Corporate Director's Responsibilities

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

The ACD is required to keep proper accounting records, and to manage the Company in accordance with the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA, the Instrument of Incorporation and the Prospectus, and to take reasonable steps for the prevention and detection of fraud or other irregularities.

Directors' statement

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

M&G Securities Limited
14 November 2019

M&G Global Dividend Fund

Authorised Corporate Director's Report

Investment objective

The fund has three aims:

- To deliver an income stream that increases every year.
- To deliver a yield above that available from the MSCI ACWI Index over any five-year period.
- To deliver a higher total return (the combination of income and growth of capital) than that of the MSCI ACWI Index over any five-year period.

Investment policy

At least 70% of the fund is invested in a range of global equities. The Fund may invest across a wide range of geographies, sectors and market capitalisations. The fund may also invest in collective investment schemes, other transferable securities, cash, near cash, other money market securities, warrants and derivatives. The fund's exposure to global equities may be gained through the use of derivatives. Derivatives may be used for efficient portfolio management.

Investment approach

The fund manager employs a bottom-up stockpicking approach, driven by the fundamental analysis of individual companies. The fund manager seeks to invest in companies with excellent capital discipline and the potential for long-term dividend growth. The fund manager believes rising dividends create upward pressure on the value of shares. Dividend yield is not the primary consideration for stock selection.

The fund manager aims to create a diversified portfolio with exposure to a broad range of countries and sectors. The fund manager selects stocks with different drivers of dividend growth to construct a portfolio that has the potential to cope in a variety of market conditions. The fund invests with a long-term view of typically three to five years. When attempting to grow distributions, the fund manager's main focus is on delivering an increase in sterling terms.

Benchmark

Benchmark: MSCI ACWI Index.

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

Risk profile

The fund invests globally in the shares of companies and is, therefore, subject to the price volatility of the global stockmarket and the performance of individual companies. The fund may also be subject to fluctuations in currency exchange rates.

The fund's focus is on shares of companies that have the potential to grow their dividends over the long term. Income distributions from the fund's holdings, however, are not guaranteed and may vary. Diversification across industries and market capitalisation is key in managing liquidity risk and reducing market risk. The fund's risks are measured and managed as an integral part of the investment process.

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



The above number:

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

Investment review

As at 1 October 2019, for the six months ended 30 September 2019

Distribution summary

Over the six-month review period to 1 October 2019, the fund distributed income of 3.0000 pence per Sterling Class 'A' (Income) share. This is 13.2% higher than the distribution for the same period in the previous financial year. The payout represented a yield (distributed income as a percentage of the share price as at 1 October 2019) of 3.14% versus a yield of 2.52% for the MSCI ACWI Index, the fund's target benchmark.

We are pleased that distributions for the fund have risen compared to the same period last year and we are encouraged that most of our holdings continue to deliver dividend growth in the region of 5% to 15%, in line with previous years. (Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.)

The fund benefited from dividend increases from a variety of sectors and countries.

M&G Global Dividend Fund

Authorised Corporate Director's Report

Investment review

Distribution summary (continued)

In healthcare, Johnson & Johnson reported dividend growth of 6% in US dollars and increased its payment for the 57th consecutive year. Medtronic reported a dividend hike of 8%. The medical equipment company extended its track record of consecutive dividend growth to 42 years. Managed care operator UnitedHealth raised its dividend by 20% for the third straight year to reinforce its confidence in the long-term prospects of the business.

In consumer staples, Unilever announced a dividend hike of 6% and Imperial Brands raised its interim dividend by 10% in sterling.

Dividend growth was by no means confined to companies with defensive characteristics. (Defensive stocks are companies that tend to have stable earnings and are less affected by peaks and troughs in the economy.)

In so-called cyclical sectors, which have greater economic sensitivity than defensive sectors, Methanex raised its dividend by 9% in US dollars and extended its long track record of dividend growth. Another energy company, Canadian mid-stream company Keyera extended its long track record of dividend growth with a 7% dividend hike. In materials, Amcor, an Australian packaging company reported a dividend with a run rate of 7% growth in US dollars.

Amongst building-related stocks, US home improvement retailer Lowe's reported a 15% dividend increase to reinforce its confidence in the long-term strategy of the business, and Martin Marietta, a US building materials company, demonstrated its commitment to capital discipline by raising its dividend by 15%, up from last year's 9% increase.

One of the fund's largest holdings, Microsoft, raised its dividend by 11%, up from 10% last year. Elsewhere in technology, Tokyo Electron, a manufacturer of semiconductor equipment, delivered a 21% increase in dividend for the fiscal year ended March 2019. Taiwan Semiconductor Manufacturing Company (TSMC) raised its quarterly payment by 25%.

There were some generous dividend increases in the financial sector. JPMorgan Chase and Wells Fargo announced plans to raise their dividends, both by 13%, after the Federal Reserve approved the US banks' capital plans. In Asia, AIA lifted its interim dividend by 14% as the Hong Kong-listed insurer reported continued progress in its operating performance.

Dividend growth was solid across the portfolio and the fund increased the distribution, while maintaining a yield above that of the MSCI ACWI Index. We are very aware that the combination of a premium yield and rising income is important to many of our investors and remain focused on meeting this objective.

The fund's distribution and yield are shown in the 'Specific share class performance' tables in this report. The distribution is subject to a variety of influences, including changes in the market environment, movements in currency and changes in the application of double tax treaties^[a]. Consequently, there is no guarantee that the fund will increase the income stream in every reporting period.

^[a] There is currently an ongoing industry issue associated with Swiss withholding tax reclaims for UK funds. The UK-Switzerland double taxation treaty provides for a proportionate reduction in the domestic rate of Swiss withholding tax from 35% to 15% if it can be demonstrated that the units of the fund are beneficially owned by UK residents. The Swiss Federal Tax Administration (SFTA) has recently (September 2019) updated the procedure for tax reclaims made by UK funds, specifically the documents that are required to be completed to evidence the ownership of the fund. The UK fund industry is in the process of reacting to this as the information will need to be gathered from a variety of sources due to the intermediated distribution of funds. Until reclaims can be re-submitted in accordance with the updated procedures, no repayments of Swiss withholding tax are expected. Further, due to the evidence required by the SFTA it may now not be possible to recover the full amount of the existing reclaims due. This affects reclaims for Swiss taxes suffered from 2014 to date. Accruals for outstanding Swiss tax repayments have been reduced as a result, which has reduced the income available for distribution for the current period.

Performance against objective

Between 1 April 2019 (the start of the review period) and 1 October 2019, the M&G Global Dividend Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes*. The fund's performance over the six-month period was behind the MSCI ACWI Index which returned 9.5% in sterling. The fund's success in meeting its objective of outperforming the MSCI ACWI Index over this short timeframe was mixed. The fund delivered on its income objectives of providing a higher yield than the MSCI ACWI Index and increasing the income stream.

Over five years, the fund's sterling share classes have delivered positive total returns, albeit behind the MSCI ACWI Index which returned 13.5% in sterling. The fund's yield has been at a consistent premium to the index during this time and distributions have increased in each financial year. Consequently, the fund has achieved two of its three objectives over this longer timeframe.

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

Investment performance

The fund delivered positive returns during the six months under review, but lagged the MSCI ACWI Index. A large part of the fund's underperformance can be attributed to two holdings: Methanex and Imperial Brands.

Signs of weakness in manufacturing activity around the world weighed heavily on some stocks sensitive to the economic cycle, including Methanex. However, the methanol producer remains a core holding in the portfolio. Its shares are still trading at a significant discount to the company's replacement cost of assets and the valuation is looking increasingly distressed. The dividend yield comfortably exceeds 4% for a company with an exemplary dividend track record across economic cycles.

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Investment review

Investment performance (continued)

Recently, UK-listed Imperial Brands unexpectedly cut its revenue guidance for the year, citing challenging conditions in the US vapour market. The chief executive has subsequently agreed to step down from the role. The slowdown in US vaping was not a complete surprise to us, given the well-documented levels of regulatory scrutiny, but other investors were unforgiving. The share price reaction has been overdone, in our view, and the stock continues to offer exceptional value on a dividend yield of more than 10% with growth in the dividend stream. We continue to engage with the company to ensure the best outcome for shareholders.

In our view, Methanex and Imperial Brands are good examples of where there has been a short-term disconnect between the share price performance of a company and its longer term prospects. We believe that in time, company fundamentals will reassert themselves, leading to improved performance.

Elsewhere, our holding in UnitedHealth cost some performance as the stock drifted lower since political concerns continued to weigh on managed care organisations in the US. The position in Amcor, an Australian packaging company, also detracted. Both stocks are attractively valued and remain core holdings.

Turning to the contributors, the technology sector was buoyant over the six-month period, with semiconductor stocks ahead of the pack. Tokyo Electron, a manufacturer of semiconductor equipment, reported first-quarter results that exceeded expectations and reaffirmed its commitment to dividends. Shares in ASML, a semiconductor equipment company also rallied strongly. Outside semiconductors, Microsoft was a beneficiary of better than expected results in software, and the shares reached a new record high.

Elsewhere, Arthur J Gallagher added value in financials after the US insurance brokerage enjoyed another favourable reporting season. In healthcare, Medtronic shares rose after the medical equipment company raised its earnings guidance for the full year.

Investment activities

It was a relatively busy period for portfolio activity. We made eight new purchases and eight complete sales during the six months under review.

The fund's exposure to healthcare increased with the addition of Anthem and Bristol-Myers Squibb to the portfolio. Anthem shares were bought on price weakness, and complemented our existing managed care organisation holding in UnitedHealth. Against the backdrop of favourable demographic trends, Anthem is investing more in growth opportunities with a target of increasing earnings by 12-15% per year over the long term, up from an average of 9% in the past five years. The company continues to deliver strong operating performance. Quarterly results were ahead of expectations and the company raised its guidance for the year. Anthem remains committed to returning cash to shareholders and the shares look attractive given the prospects for growth.

We believe the market's concerns about Bristol-Myers Squibb's product pipeline are overdone and that the valuation reflects no upside from the company's acquisition of Celgene. The combined entity is expected to be highly cash-generative and the company remains committed to returning significant amounts of cash to shareholders.

The fund's weighting in consumer staples rose after we bought shares in French consumer goods company Danone, whose brands include Activia and Evian. Danone has a global presence, including exposure to emerging markets, and a clear strategy of accelerating sales growth, improving operating margin and reducing debt. We believe the valuation is undemanding given the prospects for profitable and sustainable growth.

In consumer discretionary we bought shares in Walt Disney, Richemont and retailer Lowe's and exited the position in Starbucks on valuation grounds.

We believe Walt Disney is well positioned in an increasingly digital world. The US company has strong market positions across its media businesses and is pursuing a strategy of building a robust direct-to-consumer offering with exceptional content and innovative technology. Video streaming presents an exciting growth opportunity by expanding the scope of existing franchises such as ESPN and providing wider distribution for its premium content, which includes Disney, Pixar and Star Wars. The company is highly cash-generative and we expect the long track record of dividend growth to continue.

Swiss luxury goods company Richemont has a strong jewellery business driven by Cartier and Van Cleef & Arpels, while the specialist watchmakers division is making progress across its portfolio of premium brands. Both businesses are beneficiaries of rising demand from Asia, which is a key source of long-term growth. The business has net cash on the balance sheet and the valuation is undemanding.

Home improvement company Lowe's operates in a highly fragmented market, and although it has delivered strong financial performance over the years, has the potential to narrow the gap with its illustrious peer Home Depot. Returning cash to shareholders is central to Lowe's strategy and there is a US\$10 billion share buyback programme in place, equivalent to more than 10% of the current market capitalisation.

The fund's weighting in technology declined over the review period as Broadcom and Lam Research left the portfolio following a period of material outperformance.

In industrials we initiated a holding in Vinci, the French concessions company and sold Union Pacific, a US railroads company, and Kone, a manufacturer of elevators. Vinci has a collection of high-quality assets in transportation infrastructure, with a market-leading position in French motorway concessions and a growing airports business (the company recently bought a majority stake in London Gatwick). The business generates a high level of cash and the management team applies sound capital allocation principles to deliver profitable growth from an increasingly global business.

Union Pacific has returned more than 60% since its initial purchase in April 2015, more than double the return of the MSCI ACWI Index. Kone, a manufacturer of elevators and escalators, based in Finland, returned more than 60% in euros since the initial purchase of the shares in July 2015 and delivered gains which were double those of the MSCI ACWI Index.

M&G Global Dividend Fund

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Investment review

Investment activities (continued)

We also initiated a position in Martin Marietta which has leading market positions in the US building materials sector. The company focuses on high-growth regions benefiting from population growth and is committed to capital discipline. Martin Marietta has never cut the dividend in its 25-year history as a listed business and we believe it is well placed to deliver long-term success.

Elsewhere, we exited US Bancorp to focus our US banking exposure in the more attractively valued JPMorgan Chase and Wells Fargo. The shares returned 30% from their initial purchase in June 2015 and the dividend almost doubled.

We sold the stake in Pembina Pipeline to consolidate our holdings in energy infrastructure. We prefer the more attractively valued Gibson Energy and Keyera. Pembina returned more than 40% in Canadian dollars since we first bought the shares in December 2014.

The number of holdings was 44 at the end of September 2019. We would like to restore the number of holdings back up to our historic level of 50 over time. Global stockmarkets offer excellent opportunities for stockpickers and we believe the potential for investors is best captured by a conviction-based approach.

Outlook

Fears of a full-blown trade war and slowing economic growth appear at odds with the progress being made by companies around the world. Corporate earnings continue to rise and dividends, the ultimate sign of management confidence, remain in good health. The abundance of growth across countries and sectors should provide comfort to investors who are seeking not only income, but attractive total returns from equities.

In the current economic environment, where there is acute uncertainty, we are resolutely focused on companies with the potential for long-term growth, and able to cope with the ebb and flow of the global economy. In addition to growth, valuation is a crucial aspect of the stock selection process. From this perspective, we are excited by the array of attractive prices we see for businesses with solid growth prospects across a variety of countries and sectors.

Being selective is crucial in the current market environment of extremes. Investors have been willing to pay increasingly higher prices for the fastest-growing companies, to the extent that valuations, in our view, are unsustainable over the long term.

At the other end of the spectrum, we see a plethora of companies that operate in more unfashionable industries but offer exceptional value. Investors appear to be increasingly fearful of such companies with low valuations and avoid them at all costs. Their behaviour creates a vicious circle and drives share prices lower, making valuations even more attractive. Highly cash-generative businesses with decent long-term prospects are available at bargain prices in many sectors, most notably those with cyclical exposure.

We also see small pockets of opportunities in defensive areas of the market, with a specific focus on companies that can sustain long-term growth. Healthcare offers the most favourable combination of growth and value and in the run up to the US presidential election in 2020, we expect the sector to be fertile ground for investment ideas.

We have also started to find interesting ideas in consumer staples for the first time in many years. However, we would be wary of buying defensive stocks for the sake of safety, without paying heed to company fundamentals.

Recent dividend cuts from some large well-known companies, previously considered as solid dividend payers, proves that dividends should not be taken for granted. Such companies are testimony to the fact that excessive debt and weak balance sheets have damaging consequences for shareholders.

A high starting yield is not an automatic signal of value. We would advocate a focus on sustainable dividend growth, to avoid the potential pitfalls associated with dividend investing. This is more important than ever, as corporate debt has been on the increase in many countries, not least the US.

Dividends are the ultimate sign of management confidence and the dividend increases we are seeing from the fund's holdings reflects well on the long-term potential and the financial health of the companies we are invested in. We continue to believe that the combination of strong dividend growth and attractive valuation stands us in good stead to generate competitive returns over the long term.

Stuart Rhodes Fund manager

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

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

M&G Global Dividend Fund

Authorised Corporate Director's Report

Investments

Portfolio statement

as at Holding	30.09.19 £'000	30.09.19 %	31.03.19 %
EQUITIES			
United Kingdom			
6,629,037 Imperial Brands	119,601	4.97	
6,314,128 St. James's Place	61,979	2.58	
20,673,473 Standard Life Aberdeen	59,312	2.47	
942,654 Unilever	45,936	1.91	
Denmark			
1,211,524 Pandora	40,084	1.67	1.77
Finland			
	0	0.00	1.59
France			
514,188 Danone	36,542	1.52	
281,383 Vinci	24,514	1.02	
Germany			
646,072 Siemens	56,114	2.33	2.14
Netherlands			
122,186 ASML	24,437	1.02	1.44
Norway			
3,981,819 Prosafe	3,461	0.14	0.23
Sweden			
1,531,410 Epiroc A Shares	13,567	0.56	
1,617,595 Epiroc B Shares	13,647	0.57	
Switzerland			
732,588 Novartis	51,428	2.14	
670,513 Richemont	39,918	1.66	
333,653 Roche	78,862	3.28	
United States			
139,763 Anthem	27,006	1.12	
1,508,567 Arthur J. Gallagher & Co	108,902	4.53	
1,482,961 Bristol-Myers Squibb	60,519	2.52	
1,383,436 Cisco Systems	54,928	2.28	
173,947 Constellation Brands	29,123	1.21	
504,020 Johnson & Johnson	52,688	2.19	
422,047 JPMorgan Chase	40,393	1.68	
536,545 Las Vegas Sands	24,910	1.04	
535,430 Lowe's	47,680	1.98	
103,606 Martin Marietta Materials	22,797	0.95	
674,221 Medtronic	58,800	2.45	
4,635,005 Methanex	133,877	5.57	
1,073,441 Microsoft	120,198	5.00	
742,929 PepsiCo	81,867	3.41	
3,520,645 Triseo	123,413	5.13	
227,435 UnitedHealth	39,800	1.66	
340,092 Visa	48,104	2.00	
387,962 Walt Disney	40,994	1.71	
629,764 Wells Fargo	25,967	1.08	
Canada			
12,023,128 Gibson Energy	169,904	7.07	10.01
2,986,134 Keyera	59,844	2.49	
Japan			
419,800 Tokyo Electron	64,827	2.70	1.90
Australia			
9,026,533 Amcor	70,599	2.94	2.95
Hong Kong			
6,247,527 AIA	47,940	1.99	1.84

Portfolio statement (continued)

as at Holding	30.09.19 £'000	30.09.19 %	31.03.19 %
Singapore			
2,569,300 DBS	37,744	1.57	1.74
South Korea			
907,545 Samsung Electronics	30,223	1.26	1.49
Taiwan			
3,530,000 Taiwan Semiconductor Manufacturing	25,113	1.04	1.06
South Africa			
7,876,987 Imperial Logistics	22,128	0.92	2.13
6,938,644 Motus	25,478	1.06	
Portfolio of investments	2,365,168	98.39	98.77
CASH EQUIVALENTS			
'AAA' rated money market funds [a]			
32,206,000 Northern Trust Global Fund - Sterling	32,206	1.34	0.58
Total portfolio	2,397,374	99.73	99.35
Net other assets / (liabilities)	6,412	0.27	0.65
Net assets attributable to shareholders	2,403,786	100.00	100.00

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

[a] Uncommitted surplus cash is placed into 'AAA' rated money market funds with the aim of reducing counterparty risk.

Top ten portfolio transactions

for the six months to 30 September 2019

	£'000
Largest purchases	
Bristol-Myers Squibb	54,808
Lowe's	45,679
Richemont	40,837
Walt Disney	38,805
Danone	35,212
Anthem	28,513
Vinci	23,842
Imperial Brands	22,107
PepsiCo	20,799
Martin Marietta Materials	19,592
Other purchases	84,634
Total purchases	414,828
Largest sales	
Broadcom	67,590
Kone	43,238
Starbucks	37,776
Union Pacific	35,928
UnitedHealth	33,258
Las Vegas Sands	30,067
Novartis	28,248
Pembina Pipeline	25,081
ASML	22,186
Lam Research	21,088
Other sales	166,225
Total sales	510,685

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

M&G Global Dividend Fund

Financial highlights

Fund performance

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

The following charts and tables reflect the key financial information of a representative share class, Sterling Class 'A' (Accumulation) shares. As different share classes have different attributes, for example charging structures and minimum investments, please be aware that their performance may be different. For more information on the different share classes in this fund please refer to the Prospectus for M&G Global Dividend Fund, which is available free of charge either from our website at www.mandg.co.uk/prospectuses or by calling M&G Customer Relations.

Fund level performance

Fund net asset value

as at	30.09.19 £'000	31.03.19 £'000	31.03.18 £'000
Fund net asset value (NAV)	2,403,786	2,403,771	5,912,060

Performance since launch

To give an indication of how the fund has performed since launch, the chart below shows total return of Sterling Class 'A' (Accumulation) shares.



Historic yield

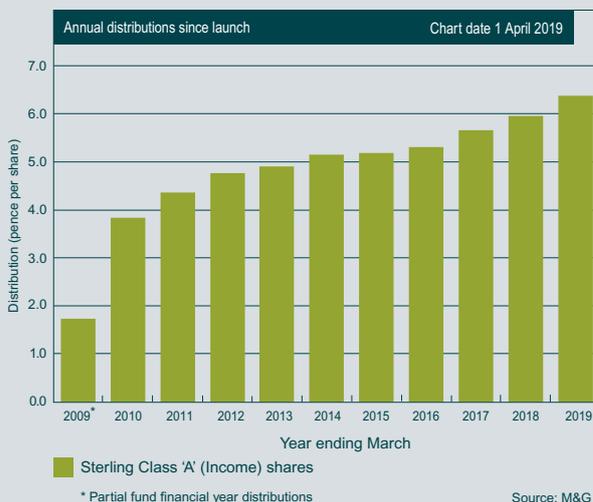
The chart below shows the historic yield of Sterling Class 'A' (Income) shares against that of a comparative index.



Historic yield: The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

Distribution since launch

The chart below shows the annual distribution of Sterling Class 'A' (Income) shares since launch.



M&G Global Dividend Fund

Financial highlights

Fund performance

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested.

Long-term performance by share class

	Six months 01.04.19 % ^[a]	Three years 03.10.16 % p.a.	Five years 01.10.14 % p.a.	Since launch % p.a.
Sterling ^[b]				
Class 'A'	+3.6	+8.9	+9.1	+10.6 ^[c]
Class 'I'	+4.0	+9.6	+9.9	+11.4 ^[c]
Class 'X'	+3.6	+8.9	+9.1	+10.6 ^[c]
MSCI ACWI Index ^[d]	+9.5	+11.8	+13.5	+11.3 ^[c]
Class 'PP'	n/a	n/a	n/a	+1.6 ^[e]
MSCI ACWI Index	n/a	n/a	n/a	+7.5 ^[e]
Class 'R'	+3.8	+9.4	+9.6	+10.7 ^[f]
MSCI ACWI Index	+9.5	+11.8	+13.5	+13.6 ^[f]

^[a] Absolute basis.

^[b] Price to price with income reinvested.

^[c] 18 July 2008, the launch date of the fund.

^[d] Prior to 1 January 2012, the benchmark was the FTSE World Index. Thereafter it is the MSCI ACWI Index.

^[e] 8 April 2019, the launch date of the share class. Not annualised.

^[f] 3 August 2012, the launch date of the share class.

Operating charges and portfolio transaction costs

We explain below the payments made to meet the ongoing costs of investing and managing the fund, comprising operating charges and portfolio transaction costs.

Operating charges

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

- **Annual charge:** Charge paid to M&G covering the annual cost of M&G managing and administering the fund and the costs of third parties providing services to the fund. From 1 August 2019, this charge rolls all costs that make up the operating charges into one annual charge.

For every £1 billion of a fund's net asset value, a discount of 0.02% will be applied to that fund's annual charge (up to a maximum of 0.12%).

- **Extraordinary legal and tax expenses:** Costs that specifically relate to legal or tax claims that are both exceptional and unforeseeable. Such expenses are uncommon, and would not be expected in most years. Although they result in a short-term cost to the fund, generally they can deliver longer term benefits for investors.
- **Investment management:** Charge paid to M&G for investment management of the fund. From 1 August 2019 this charge forms part of the annual charge.
- **Administration:** Charge paid for administration services in addition to investment management – any surplus from this charge will be retained by M&G. From 1 August 2019 this charge is rolled into the annual charge.
- **Oversight and other independent services:** Charges paid to providers independent of M&G for services which include depositary, custody and audit. From 1 August 2019 these charges will be paid by M&G and rolled into the annual charge.
- **Ongoing charges from underlying funds:** Ongoing charges on holdings in underlying funds that are not rebated. From 1 August 2019 charges from underlying funds (excluding Investment Trust Companies and Real Estate Investment Trusts) will be rebated.

The operating charges paid by each share class of the fund are shown in the following performance tables. These charges do not include portfolio transaction costs or any entry and exit charges (also known as initial and redemption charges). The charging structures of share classes may differ, and therefore the operating charges may differ.

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

M&G Global Dividend Fund

Financial highlights

Fund performance

Operating charges and portfolio transaction costs

Portfolio transaction costs

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

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

Investments are bought or sold by a fund when changes are made to the investment portfolio and in response to net flows of money into or out of the fund from investors buying and selling shares in the fund.

To protect existing investors, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive. The table below shows direct portfolio transaction costs paid by the fund before and after that part of the dilution adjustment relating to direct portfolio transaction costs. To give an indication of the indirect portfolio dealing costs the table also shows the average portfolio dealing spread.

Further information on this process is in the Prospectus, which is available free of charge on request either from our website at www.mandg.co.uk/prospectuses or by calling M&G Customer Relations.

Portfolio transaction costs

	Six months to 30.09.19	Year to 31.03.19	Year to 31.03.18	Average ^[a]
Direct portfolio transaction costs ^[b]	%	%	%	%
Broker commission	0.03	0.02	0.03	0.02
Taxes	0.04	0.02	0.02	0.03
Costs before dilution adjustments	0.07	0.04	0.05	0.05
Dilution adjustments ^[c]	(0.01)	(0.02)	(0.01)	(0.01)
Total direct portfolio transaction costs	0.06	0.02	0.04	0.04
as at	30.09.19	31.03.19	31.03.18	Average ^[a]
Indirect portfolio transaction costs	%	%	%	%
Average portfolio dealing spread	0.06	0.08	0.09	0.08

^[a] Average of first three columns.

^[b] As a percentage of average net asset value.

^[c] In respect of direct portfolio transaction costs. Please see the section above this table for an explanation of dilution adjustments.

Specific share class performance

The following tables show the performance of each share class. All 'Performance and charges' percentages represent an annual rate except for the 'Return after operating charges' which is calculated as a percentage of the opening net asset value per share (NAV). 'Dilution adjustments' are only in respect of direct portfolio transaction costs.

Historic yields for the current period are calculated as at 11 October 2019.

Sterling Class 'A' Income share performance

The share class was launched on 18 July 2008.

	Six months to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Change in NAV per share			
Opening NAV	209.27	194.31	202.85
Return before operating charges and after direct portfolio transaction costs	10.95	24.87	0.80
Operating charges	(1.71)	(3.50)	(3.37)
Return after operating charges	9.24	21.37	(2.57)
Distributions	(3.00)	(6.41)	(5.97)
Closing NAV	215.51	209.27	194.31
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.07	0.09	0.10
Dilution adjustments ^[a]	(0.01)	(0.05)	(0.02)
Total direct portfolio transaction costs	0.06	0.04	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	0.02	0.04
Operating charges ^[c]	1.44	1.66	1.66
Return after operating charges	+4.42	+11.00	-1.27
Historic yield	3.22	2.98	3.00
Effect on yield of charges offset against capital	1.44	1.66	1.66
Other information			
Closing NAV (£'000)	341,520	365,458	585,598
Closing NAV percentage of total fund NAV (%)	14.21	15.20	9.91
Number of shares	158,473,706	174,635,779	301,369,940
Highest share price (UK p)	225.44	225.19	217.28
Lowest share price (UK p)	204.56	190.67	193.91

M&G Global Dividend Fund

Financial highlights

Specific share class performance

Sterling Class 'A' Accumulation share performance

The share class was launched on 18 July 2008.

	Six months to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Change in NAV per share			
Opening NAV	296.42	266.91	270.48
Return before operating charges and after direct portfolio transaction costs	15.45	34.35	0.96
Operating charges	(2.41)	(4.84)	(4.53)
Return after operating charges	13.04	29.51	(3.57)
Distributions	(1.97)	(4.11)	(3.54)
Retained distributions	1.97	4.11	3.54
Closing NAV	309.46	296.42	266.91
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.10	0.12	0.14
Dilution adjustments ^[a]	(0.01)	(0.06)	(0.03)
Total direct portfolio transaction costs	0.09	0.06	0.11
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	0.02	0.04
Operating charges ^[c]	1.48	1.66	1.66
Return after operating charges	+4.40	+11.06	-1.32
Historic yield	1.60	1.34	1.30
Effect on yield of charges offset against capital	0.01	0.01	0.01
Other information			
Closing NAV (£'000)	289,699	265,988	340,501
Closing NAV percentage of total fund NAV (%)	12.05	11.06	5.76
Number of shares	93,614,293	89,734,481	127,571,447
Highest share price (UK p)	321.48	311.25	295.10
Lowest share price (UK p)	289.69	264.49	258.61

Sterling Class 'I' Income share performance

The share class was launched on 18 July 2008.

	Six months to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Change in NAV per share			
Opening NAV	226.50	208.73	216.27
Return before operating charges and after direct portfolio transaction costs	11.85	26.74	0.83
Operating charges	(1.06)	(2.06)	(1.98)
Return after operating charges	10.79	24.68	(1.15)
Distributions	(3.25)	(6.91)	(6.39)
Closing NAV	234.04	226.50	208.73
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.08	0.10	0.11
Dilution adjustments ^[a]	(0.01)	(0.05)	(0.02)
Total direct portfolio transaction costs	0.07	0.05	0.09
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	0.02	0.04
Operating charges ^[c]	0.88	0.91	0.91
Return after operating charges	+4.76	+11.82	-0.53
Historic yield	3.21	2.96	2.99
Effect on yield of charges offset against capital	0.88	0.91	0.91
Other information			
Closing NAV (£'000)	871,093	851,380	858,505
Closing NAV percentage of total fund NAV (%)	36.24	35.42	14.52
Number of shares	372,196,760	375,886,902	411,302,750
Highest share price (UK p)	244.61	242.67	233.02
Lowest share price (UK p)	221.70	205.98	206.95

Sterling Class 'I' Accumulation share performance

The share class was launched on 18 July 2008.

	Six months to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Change in NAV per share			
Opening NAV	320.37	286.62	288.29
Return before operating charges and after direct portfolio transaction costs	16.73	36.62	0.99
Operating charges	(1.50)	(2.87)	(2.66)
Return after operating charges	15.23	33.75	(1.67)
Distributions	(3.20)	(6.78)	(5.98)
Retained distributions	3.20	6.78	5.98
Closing NAV	335.60	320.37	286.62
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.11	0.13	0.15
Dilution adjustments ^[a]	(0.01)	(0.07)	(0.03)
Total direct portfolio transaction costs	0.10	0.06	0.12
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	0.02	0.04
Operating charges ^[c]	0.87	0.91	0.91
Return after operating charges	+4.75	+11.78	-0.58
Historic yield	2.28	2.05	2.04
Effect on yield of charges offset against capital	0.01	0.01	0.01
Other information			
Closing NAV (£'000)	804,446	825,142	1,604,151
Closing NAV percentage of total fund NAV (%)	33.47	34.33	27.13
Number of shares	239,704,433	257,556,985	559,676,644
Highest share price (UK p)	348.34	335.29	316.37
Lowest share price (UK p)	313.53	284.06	275.92

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

	Period to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Change in NAV per share			
Opening NAV	100.00	n/a	n/a
Return before operating charges and after direct portfolio transaction costs	1.51	n/a	n/a
Operating charges	(0.11)	n/a	n/a
Return after operating charges	1.40	n/a	n/a
Distributions	(0.67)	n/a	n/a
Closing NAV	100.73	n/a	n/a
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	n/a	n/a
Dilution adjustments ^[a]	0.00	n/a	n/a
Total direct portfolio transaction costs	0.01	n/a	n/a
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	n/a	n/a
Operating charges	0.66	n/a	n/a
Return after operating charges	+1.40	n/a	n/a
Historic yield	3.21	n/a	n/a
Effect on yield of charges offset against capital	0.66	n/a	n/a
Other information			
Closing NAV (£'000)	174	n/a	n/a
Closing NAV percentage of total fund NAV (%)	0.01	n/a	n/a
Number of shares	173,046	n/a	n/a
Highest share price (UK p)	103.54	n/a	n/a
Lowest share price (UK p)	97.38	n/a	n/a

M&G Global Dividend Fund

Financial highlights

Specific share class performance

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Period to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Opening NAV	100.00	n/a	n/a
Return before operating charges and after direct portfolio transaction costs	1.93	n/a	n/a
Operating charges	(0.34)	n/a	n/a
Return after operating charges	1.59	n/a	n/a
Distributions	(1.07)	n/a	n/a
Retained distributions	1.07	n/a	n/a
Closing NAV	101.59	n/a	n/a
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	n/a	n/a
Dilution adjustments ^[a]	0.00	n/a	n/a
Total direct portfolio transaction costs	0.03	n/a	n/a
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	n/a	n/a
Operating charges	0.69	n/a	n/a
Return after operating charges	+1.59	n/a	n/a
Historic yield	2.49	n/a	n/a
Effect on yield of charges offset against capital	0.00	n/a	n/a
Other information			
Closing NAV (£'000)	901	n/a	n/a
Closing NAV percentage of total fund NAV (%)	0.04	n/a	n/a
Number of shares	887,085	n/a	n/a
Highest share price (UK p)	105.43	n/a	n/a
Lowest share price (UK p)	94.87	n/a	n/a

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Opening NAV	159.89	147.71	153.44
Return before operating charges and after direct portfolio transaction costs	8.36	18.93	0.59
Operating charges	(0.95)	(1.86)	(1.79)
Return after operating charges	7.41	17.07	(1.20)
Distributions	(2.30)	(4.89)	(4.53)
Closing NAV	165.00	159.89	147.71
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.05	0.07	0.08
Dilution adjustments ^[a]	(0.01)	(0.04)	(0.02)
Total direct portfolio transaction costs	0.04	0.03	0.06
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	0.02	0.04
Operating charges ^[c]	1.12	1.16	1.16
Return after operating charges	+4.63	+11.56	-0.78
Historic yield	3.22	2.97	2.99
Effect on yield of charges offset against capital	1.12	1.16	1.16
Other information			
Closing NAV (£'000)	11,895	12,301	12,490
Closing NAV percentage of total fund NAV (%)	0.49	0.51	0.21
Number of shares	7,208,956	7,693,298	8,455,567
Highest share price (UK p)	172.53	171.55	165.00
Lowest share price (UK p)	156.43	145.49	146.77

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Opening NAV	197.78	177.20	178.68
Return before operating charges and after direct portfolio transaction costs	10.31	22.83	0.63
Operating charges	(1.18)	(2.25)	(2.11)
Return after operating charges	9.13	20.58	(1.48)
Distributions	(1.73)	(3.70)	(3.25)
Retained distributions	1.73	3.70	3.25
Closing NAV	206.91	197.78	177.20
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.07	0.08	0.09
Dilution adjustments ^[a]	(0.01)	(0.04)	(0.02)
Total direct portfolio transaction costs	0.06	0.04	0.07
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	0.02	0.04
Operating charges ^[c]	1.14	1.16	1.16
Return after operating charges	+4.62	+11.61	-0.83
Historic yield	2.04	1.82	1.79
Effect on yield of charges offset against capital	0.01	0.01	0.01
Other information			
Closing NAV (£'000)	18,564	17,046	12,915
Closing NAV percentage of total fund NAV (%)	0.77	0.71	0.22
Number of shares	8,971,776	8,619,019	7,288,672
Highest share price (UK p)	214.86	207.07	195.70
Lowest share price (UK p)	193.46	175.61	170.95

Sterling Class 'X' Income share performance

The share class was launched on 18 July 2008.

Change in NAV per share	Six months to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Opening NAV	209.36	194.39	202.94
Return before operating charges and after direct portfolio transaction costs	10.94	24.87	0.79
Operating charges	(1.70)	(3.49)	(3.37)
Return after operating charges	9.24	21.38	(2.58)
Distributions	(3.00)	(6.41)	(5.97)
Closing NAV	215.60	209.36	194.39
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.07	0.09	0.10
Dilution adjustments ^[a]	(0.01)	(0.05)	(0.02)
Total direct portfolio transaction costs	0.06	0.04	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	0.02	0.04
Operating charges ^[c]	1.45	1.66	1.66
Return after operating charges	+4.41	+11.00	-1.27
Historic yield	3.22	2.98	3.00
Effect on yield of charges offset against capital	1.45	1.66	1.66
Other information			
Closing NAV (£'000)	47,492	48,064	50,551
Closing NAV percentage of total fund NAV (%)	1.97	2.00	0.85
Number of shares	22,027,476	22,957,221	26,004,490
Highest share price (UK p)	225.54	225.29	217.38
Lowest share price (UK p)	204.65	190.75	193.99

M&G Global Dividend Fund

Financial highlights

Specific share class performance

Sterling Class 'X' Accumulation share performance

The share class was launched on 18 July 2008.

	Six months to 30.09.19 UK p	Year to 31.03.19 UK p	Year to 31.03.18 UK p
Change in NAV per share			
Opening NAV	296.58	267.06	270.62
Return before operating charges and after direct portfolio transaction costs	15.47	34.36	0.97
Operating charges	(2.42)	(4.84)	(4.53)
Return after operating charges	13.05	29.52	(3.56)
Distributions	(1.97)	(4.11)	(3.54)
Retained distributions	1.97	4.11	3.54
Closing NAV	309.63	296.58	267.06
Direct portfolio transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.10	0.12	0.14
Dilution adjustments ^[a]	(0.01)	(0.06)	(0.03)
Total direct portfolio transaction costs	0.09	0.06	0.11
Performance and charges	%	%	%
Direct portfolio transaction costs ^[b]	0.06	0.02	0.04
Operating charges ^[c]	1.45	1.66	1.66
Return after operating charges	+4.40	+11.05	-1.32
Historic yield	1.60	1.34	1.30
Effect on yield of charges offset against capital	0.00	0.01	0.01
Other information			
Closing NAV (£'000)	18,002	18,392	19,086
Closing NAV percentage of total fund NAV (%)	0.75	0.77	0.32
Number of shares	5,813,929	6,201,160	7,146,601
Highest share price (UK p)	321.66	311.42	295.26
Lowest share price (UK p)	289.85	264.64	258.76

^[a] In respect of direct portfolio transaction costs.

^[b] As a percentage of average net asset value.

^[c] Following the change in charging structure, you may see variances between the comparative and current year figures.

M&G Global Dividend Fund

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 September	2019		2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains / (losses)		87,128		840,545
Revenue	45,225		97,454	
Expenses	(13,469)		(41,351)	
Net revenue / (expense) before taxation	31,756		56,103	
Taxation	(7,382)		(9,581)	
Net revenue / (expense) after taxation		24,374		46,522
Total return before distributions		111,502		887,067
Distributions		(28,095)		(50,532)
Change in net assets attributable to shareholders from investment activities		83,407		836,535

Statement of change in net assets attributable to shareholders

for the six months to 30 September	2019		2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		2,403,771		5,912,060
Amounts received on issue of shares	62,970		176,794	
Amounts paid on cancellation of shares	(156,529)		(585,510)	
		(93,559)		(408,716)
Dilution adjustments		150		587
Change in net assets attributable to shareholders from investment activities (see above)		83,407		836,535
Retained distributions on Accumulation shares		10,015		25,398
Unclaimed distributions		2		3
Closing net assets attributable to shareholders		2,403,786		6,365,867

The opening net assets attributable to shareholders for 2019 differs to the closing position in 2018 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Balance sheet

as at	30 September 2019	31 March 2019
	£'000	£'000
Assets		
Fixed assets		
Investments	2,365,168	2,374,256
Current assets		
Debtors	18,540	42,426
Cash and bank balances	15,932	18,820
Cash equivalents	32,206	13,856
Total assets	2,431,846	2,449,358
Liabilities		
Creditors		
Distribution payable	(8,851)	(14,387)
Other creditors	(19,209)	(31,200)
Total liabilities	(28,060)	(45,587)
Net assets attributable to shareholders	2,403,786	2,403,771

Notes to the financial statements

Accounting policies

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 31 March 2019. They are prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and as amended June 2017.

Distribution policy

In determining the amount available for reinvestment to Accumulation shares, all expenses with the exception of the annual charge, annual management charge, administration charge and overdraft interest are offset against capital, increasing the amount available for reinvestment whilst restraining capital performance to an equivalent extent. In determining the amount available for distribution to Income shares, all expenses with the exception of overdraft interest are offset against capital, increasing the amount available for distribution whilst restraining capital performance to an equivalent extent.

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

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

M&G Global Dividend Fund

Other regulatory disclosures

Swiss investor information

For funds registered in Switzerland we are required by FINMA to disclose the Total Expense Ratio (TER).

For this fund the TERs are the same as the operating charges disclosed in the fund's financial highlights section under 'Performance and charges'.

Glossary

Accumulation shares: A type of share where distributions are automatically reinvested and reflected in the value of the shares.

Accumulation units: A type of unit where distributions are automatically reinvested and reflected in the value of the units.

Asset: Anything having commercial or exchange value that is owned by a business, institution or individual.

Asset allocation: Apportioning a portfolio's assets according to risk tolerance and investment goals.

Asset class: Category of assets, such as cash, company shares, fixed income securities and their sub-categories, as well as tangible assets such as real estate.

Bond: A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

Bond issue: A set of fixed income securities offered for sale to the public by a company or government. If the bonds are sold for the first time, it is called a 'new issue'.

Bottom-up selection: Selecting stocks based on the attractiveness of a company.

Bunds: Fixed income securities issued by the German government.

Capital: Refers to the financial assets, or resources, that a company has to fund its business operations.

Capital growth: Occurs when the current value of an investment is greater than the initial amount invested.

Capital return: The term for the gain or loss derived from an investment over a particular period. Capital return includes capital gain or loss only and excludes income (in the form of interest or dividend payments).

Cash equivalents: Deposits or investments with similar characteristics to cash.

Comparative sector: A group of funds with similar investment objectives and/or types of investment, as classified by bodies such as the Investment Association (IA) or Morningstar™. Sector definitions are mostly based on the main assets a fund should invest in, and may also have a geographic focus. Sectors can be the basis for comparing the different characteristics of similar funds, such as their performance or charging structure.

Consumer Prices Index (CPI): An index used to measure inflation, which is the rate of change in prices for a basket of goods and services. The contents of the basket are meant to be representative of products and services we typically spend our money on.

Convertible bonds: Fixed income securities that can be exchanged for predetermined amounts of company shares at certain times during their life.

Corporate bonds: Fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky.

Coupon: The interest paid by the government or company that has raised a loan by selling bonds.

Credit: The borrowing capacity of an individual, company or government. More narrowly, the term is often used as a synonym for fixed income securities issued by companies.

Credit default swaps (CDS): Are a type of derivative, namely financial instruments whose value, and price, are dependent on one or more underlying assets. CDS are insurance-like contracts that allow investors to transfer the risk of a fixed income security defaulting to another investor.

Credit rating: An independent assessment of a borrower's ability to repay its debts. A high rating indicates that the credit rating agency considers the issuer to be at low risk of default; likewise, a low rating indicates high risk of default. Standard & Poor's, Fitch and Moody's are the three most prominent credit rating agencies. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Credit rating agency: A company that analyses the financial strength of issuers of fixed income securities and attaches a rating to their debt. Examples include Standard & Poor's and Moody's.

Credit risk: Risk that a financial obligation will not be paid and a loss will result for the lender.

Credit selection: The process of evaluating a fixed income security, also called a bond, in order to ascertain the ability of the borrower to meet its debt obligations. This research seeks to identify the appropriate level of default risk associated with investing in that particular bond.

Credit spread: The difference between the yield of a corporate bond, a fixed income security issued by a company, and a government bond of the same life span. Yield refers to the income received from an investment and is expressed as a percentage of the investment's current market value.

Default: When a borrower does not maintain interest payments or repay the amount borrowed when due.

Defaulted bond: When a bond issuer does not maintain interest payments or repay the amount borrowed when due.

Default risk: Risk that a debtholder will not receive interest and full repayment of the loan when due.

Derivatives: Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded over the counter.

Developed economy/market: Well-established economies with a high degree of industrialisation, standard of living and security.

Dilution adjustments: The dilution adjustment is used to protect ongoing investors against the transaction charges incurred in investing or divesting in respect of creations and cancellations. The dilution adjustment is made up of the direct and indirect transaction charges. In the financial statements the direct transaction charges as a percentage of average NAV will be disclosed. This percentage will take account of those direct transaction charges that have been recovered through the dilution adjustment leaving a percentage that just represents the costs incurred in portfolio management.

Distribution: Distributions represent a share in the income of the fund and are paid out to Income shareholders or reinvested for Accumulation shareholders at set times of the year (monthly, quarterly, half-yearly or annually). They may either be in the form of interest distributions or dividend distributions.

Glossary

Distribution yield: Expresses the amount that is expected to be distributed by the fund over the next 12 months as a percentage of the share price as at a certain date. It is based on the expected gross income less the ongoing charges.

Diversification: The practice of investing in a variety of assets. This is a risk management technique where, in a well-diversified portfolio, any loss from an individual holding should be offset by gains in other holdings, thereby lessening the impact on the overall portfolio.

Dividend: Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.

Duration: A measure of the sensitivity of a fixed income security, also called a bond, or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

Duration risk: The longer a fixed income security, also called a bond, or bond fund's duration, the more sensitive and therefore at risk it is to changes in interest rates.

Emerging economy or market: Economies in the process of rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.

Equities: Shares of ownership in a company.

Exchange traded: Usually refers to investments traded on an exchange, such as company shares on a stock exchange.

Ex-dividend, ex-distribution or XD date: The date on which declared distributions officially belong to underlying investors.

Exposure: The proportion of a fund invested in a particular share/fixed income security, sector/region, usually expressed as a percentage of the overall portfolio.

Fixed income security: A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid. Also referred to as a bond.

Floating rate notes (FRNs): Securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.

Foreign exchange: The exchange of one currency for another, or the conversion of one currency into another currency. Foreign exchange also refers to the global market where currencies are traded virtually around the clock. The term foreign exchange is usually abbreviated as 'forex' and occasionally as 'FX'.

Foreign exchange (FX) strategy: Currencies can be an asset class in its own right, along with company shares, fixed income securities, property and cash. Foreign exchange strategy can therefore be a source of investment returns.

Forward contract: A contract between two parties to buy or sell a particular commodity or financial instrument at a pre-determined price at a future date. Examples include forward currency contracts.

Fundamentals (company): A basic principle, rule, law, or the like, that serves as the groundwork of a system. A company's fundamentals pertain specifically to that company, and are factors such as its business model, earnings, balance sheet and debt.

Fundamentals (economic): A basic principle, rule, law, or the like, that serves as the groundwork of a system. Economic fundamentals are factors such as inflation, employment, economic growth.

Futures: A futures contract is a contract between two parties to buy or sell a particular commodity or financial instrument at a pre-determined price at a future date. Futures are traded on a regulated exchange.

Gilts: Fixed income securities issued by the UK government.

Government bonds: Fixed income securities issued by governments, that normally pay a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.

Hedging: A method of reducing unnecessary or unintended risk.

High water mark (HWM): The highest level that a fund's NAV (net asset value) has reached at the end of any 12-month accounting period.

High yield bonds: Fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better quality, ie higher-rated fixed income securities but have the potential for higher rewards. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Historic yield: The historic yield reflects distributions declared over the past 12 months as a percentage of the share price, as at the date shown.

Income yield: Refers to the income received from an investment and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value.

Index: An index represents a particular market or a portion of it, serving as a performance indicator for that market.

Income shares: A type of share where distributions are paid out as cash on the payment date.

Income units: A type of unit where distributions are paid out as cash on the payment date.

Index tracking: A fund management strategy that aims to match the returns from a particular index.

Index-linked bonds: Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.

Inflation: The rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier.

Inflation risk: The risk that inflation will reduce the return of an investment in real terms

Initial public offering (IPO): The first sale of shares by a private company to the public.

Interest rate risk: The risk that a fixed income investment will lose value if interest rates rise.

Interest rate swap: An agreement between two parties to swap a fixed interest payment with a variable interest payment over a specified period of time.

Investment Association (IA): The UK trade body that represents fund managers. It works with investment managers, liaising with government on matters of taxation and regulation, and also aims to help investors understand the industry and the investment options available to them.

Issuer: An entity that sells securities, such as fixed income securities and company shares.

Glossary

Investment grade bonds: Fixed income securities issued by a company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk from default than those issued by companies with lower credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Issuer: An entity that sells securities, such as fixed income securities and company shares.

Leverage: When referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to a fund that borrows money or uses derivatives to magnify an investment position.

Liquidity: A company is considered highly liquid if it has plenty of cash at its disposal. A company's shares are considered highly liquid if they can be easily bought or sold since large amounts are regularly traded.

Long position: Refers to ownership of a security held in the expectation that the security will rise in value.

Macroeconomic: Refers to the performance and behaviour of an economy at the regional or national level. Macroeconomic factors such as economic output, unemployment, inflation and investment are key indicators of economic performance. Sometimes abbreviated to 'macro'.

Maturity: The length of time until the initial investment amount of a fixed income security is due to be repaid to the holder of the security.

Modified duration: A measure of the sensitivity of a fixed income security, called a bond, or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

Monetary easing: When central banks lower interest rates or buy securities on the open market to increase the money in circulation.

Monetary policy: A central bank's regulation of money in circulation and interest rates.

Monetary tightening: When central banks raise interest rates or sell securities on the open market to decrease the money in circulation.

Morningstar™: A provider of independent investment research, including performance statistics and independent fund ratings.

Near cash: Deposits or investments with similar characteristics to cash.

Net asset value (NAV): A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.

Ongoing charge figure: The ongoing charge figure represents the operating costs you can reasonably expect to pay under normal circumstances.

Open-ended investment company (OEIC): A type of managed fund, whose value is directly linked to the value of the fund's underlying investments.

Options: Financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.

Over-the-counter (OTC): Whereby financial assets are traded directly between two parties. This is in contrast to exchange trading, which is carried out through exchanges set up specifically for the purpose of trading. OTC is also known as off-exchange trading.

Overweight: If a fund is 'overweight' a stock, it holds a larger proportion of that stock than the comparable index or sector.

Payment date: The date on which distributions will be paid by the fund to investors, usually the last business day of the month.

Physical assets: An item of value that has tangible existence, for example, cash, equipment, inventory or real estate. Physical assets can also refer to securities, such as company shares or fixed income securities.

Portfolio transaction cost: The cost of trading, such as brokerage, clearing, exchange fees and bid-offer spread as well as taxes such as stamp duty.

Preference shares: Preference shares are a loan to a company that may be traded in the same way as ordinary shares, but generally have a higher yield and pay dividends on fixed dates. Preference shares have varying characteristics as to the treatment of the principal and the dividend payment, which includes ranking them above ordinary shares when it comes to dividend payments.

Principal: The face value of a fixed income security, which is the amount due back to the investor by the borrower when the security reaches the end of its life.

Private placement: An offer of sale of securities to a relatively small number of investors selected by the company, generally investment banks, mutual funds, insurance companies or pension funds.

Property Expense Ratio (PER): Property expenses are the operating expenses that relate to the management of the property assets in the portfolio. These include: insurance and rates, rent review and lease renewal costs and maintenance and repairs, but not improvements. They depend on the level of activity taking place within the fund. The Property Expense Ratio is the ratio of property expenses to the fund's net asset value.

Real yield: The return of an investment, adjusted for changes in prices in an economy.

Retail Prices Index (RPI): A UK inflation index that measures the rate of change in prices for a basket of goods and services in the UK, including mortgage payments and council tax.

Risk: The chance that an investment's return will be different to what is expected. Risk includes the possibility of losing some or all of the original investment.

Risk management: The term used to describe the activities the fund manager undertakes to limit the risk of a loss in a fund.

Risk premium: The difference between the return from a risk-free asset, such as a high-quality government bond or cash, and the return from an investment in any other asset. The risk premium can be considered the 'price' or 'pay-off' for taking on increased risk. A higher risk premium implies higher risk.

Risk-free asset: An asset that notionally carries no risk of non-payment by the borrower such as a high-quality fixed income security issued by a government or cash.

Risk/reward ratio: A ratio comparing the expected returns of an investment with the amount of risk undertaken.

Glossary

Safe-haven assets: Refers to assets that investors perceive to be relatively safe from suffering a loss in times of market turmoil.

Security: Financial term for a paper asset – usually a share in a company or a fixed income security also known as a bond.

Share class: Each M&G fund has different share classes, such as A, R and I. Each has a different level of charges and minimum investment. Details on charges and minimum investments can be found in the Key Investor Information Documents.

Share class hedging: Activities undertaken in respect of hedged shares to mitigate the impact on performance of exchange rate movements between the fund's currency exposure and the investor's chosen currency.

Short position: A way for a fund manager to express his or her view that the market might fall in value.

Short selling: This often refers to the practice whereby an investor sells an asset they do not own. The investor borrows the asset from someone who does own it and pays a fee. The investor must eventually return the borrowed asset by buying it in the open market. If the asset has fallen in price, the investor buys it for less than they sold it for, thus making a profit. The contrary may also occur.

Short-dated corporate bonds: Fixed income securities issued by companies and repaid over relatively short periods.

Short-dated government bonds: Fixed income securities issued by governments and repaid over relatively short periods.

Sovereign debt: Debt of a government. Also referred to as government bonds.

Sub-investment grade bonds: Fixed income securities issued by a company with a low rating from a recognised credit rating agency. They are considered to be at higher risk from default than those issued by companies with higher credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Suspended: Temporarily halting the trading of a listed security on the stock exchange. It can be voluntary (requested by the issuing company) or imposed by regulators. Typically, trading suspensions are introduced ahead of important news announcements, following technical glitches, or due to regulatory concerns.

Top-down investing: An investment approach that analyses economic factors, ie surveys the 'big picture', before selecting which companies to invest in. The top-down investor will look at which industries are likely to generate the best returns in certain economic conditions and limit the search to that area.

Total return: The term for the gain or loss derived from an investment over a particular period. Total return includes income (in the form of interest or dividend payments) and capital gains.

Treasuries: Fixed income securities issued by the US government.

Triple A or AAA rated: The highest possible rating a fixed income security, also called a bond, can be assigned by credit rating agencies. Bonds that are rated AAA are perceived to have the lowest risk of default. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

UCITS: Stands for Undertakings for Collective Investment in Transferable Securities. This is the European regulatory framework for an investment vehicle that can be marketed across the European Union and is designed to enhance the single market in financial assets while maintaining high levels of investor protection.

Unconstrained: The term used to describe the mandate of a fund whereby the manager has the freedom to invest according to his or her own strategy, not being obliged to allocate capital according to the weightings of any index, for example.

Underlying value: The fundamental value of a company, reflecting both tangible and intangible assets, rather than the current market value.

Underlying yield: Refers to the income received by a managed fund, and is usually expressed annually as a percentage based on the fund's current value.

Underweight: If a portfolio is 'underweight' a stock, it holds a smaller proportion of that stock than the comparable index or sector.

Unit trust: A type of managed fund, whose value is directly linked to the value of the fund's underlying investments.

Unit/share type: Type of units/shares held by investors in a trust or fund (unit/share types differ by features such as whether income is to be paid out as cash or reinvested on the payment date).

Unlisted/unquoted stocks: Shares of ownership in companies that are not listed on a public exchange, known as private companies.

Valuation: The worth of an asset or company based on its current price.

Volatile: When the value of a particular share, market or sector swings up and down fairly frequently and/or significantly, it is considered volatile.

Volatility: The degree to which a given security, fund, or index rapidly changes. It is calculated as the degree of deviation from the norm for that type of investment over a given time period. The higher the volatility, the riskier the security tends to be.

Warrant: A security issued by a company that gives the holder the right to buy shares in that company at a specified price and within a certain timeframe.

Yield: This refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

Yield (equity): Refers to the dividends received by a holder of company shares and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value. Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

Yield (bonds): This refers to the interest received from a fixed income security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

Yield (income): Refers to the income received from an investment and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value.

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