

M&G Investment Funds (4)

**Interim report and unaudited financial statements
for the six months ended 30 April 2023**

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (4) presents its interim report and unaudited financial statements for the six months ended 30 April 2023.

The unaudited financial statements of M&G Investment Funds (4) and the investment report and unaudited financial statements and notes of each sub-fund are presented in their individual sections of this report as set out in the contents page.

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

Company information

M&G Investment Funds (4) is an umbrella Open-Ended Investment Company (OEIC) and contains seven sub-funds, hereinafter referred to as 'funds' in the rest of this report. The Company is a non-UCITS Retail Scheme (NURS) and, for the purposes of the AIFMD, qualifies as an alternative investment fund (AIF), as issued (and amended) by the Financial Conduct Authority (FCA). This OEIC is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the FCA under the Financial Services and Markets Act 2000.

The Company was authorised on 20 February 2002 and was launched on 20 June 2002. The M&G Episode Allocation Fund was launched on 16 February 2007. The M&G Sustainable Multi Asset Fund was launched on 14 February 2019. The M&G Sustainable Multi Asset Balanced Fund, M&G Sustainable Multi Asset Cautious Fund and M&G Sustainable Multi Asset Growth Fund were launched on 8 December 2020.

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

As at 30 April 2023, none of the funds held shares of the other funds within this OEIC.

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

Fund managers

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

M&G Episode Allocation Fund

Tony Finding & Stuart Canning

M&G Episode Growth Fund

Craig Simpson & Tony Finding

M&G Managed Growth Fund

Craig Simpson

M&G Sustainable Multi Asset Fund

Maria Municchi

M&G Sustainable Multi Asset Balanced Fund

Maria Municchi

M&G Sustainable Multi Asset Cautious Fund

Maria Municchi

M&G Sustainable Multi Asset Growth Fund

Maria Municchi

ACD

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

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

Directors of the ACD

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

Authorised Corporate Director's Report

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

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

Depositary

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

Independent auditor

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

Annual value assessment

An annual assessment report is available which shows the value provided to investors in each of M&G's UK-based funds. The assessment report evaluates whether M&G's charges are justified in the context of the overall service delivered to its investors. The latest report to 31 March 2022 can be found on our website at mandg.co.uk/valueassessment

Important information

The events in Ukraine continue to bring uncertainty. The ACD continues to monitor the associated risks that are posed to the Company.

Effective as of 1 December 2022, Tony Finding replaced Eric Lonergan as co-fund manager of the M&G Episode Growth Fund.

Effective as of 1 December 2022, Craig Simpson replaced David Fishwick as fund manager of the M&G Managed Growth Fund.

As of January 2023 the operating charge figure includes the underlying charges for closed-ended funds, such as investment trusts and REITs (real estate investment trusts). There is no change to what you are currently being charged; this is a presentational change to align with the latest industry guidance issued by the Investment Association.

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

Authorised Corporate Director's Report

Investor information

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

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

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

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

Directors' statement

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

M&G Securities Limited
27 June 2023

Financial statements and notes

The financial statements for M&G Investment Funds (4) comprise the individual financial statements for each fund and the notes below.

Notes to the financial statements

Accounting policies

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

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 October 2022. They are prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 16 March 2023 has been used.

Investment objective

The fund aims to deliver a total return (the combination of capital growth and income) of at least 5% per annum above the Sterling Overnight Index Average (SONIA), before any charges are taken, over any five-year period.

There is no guarantee that the fund will achieve a positive return over five years, or any other period, and investors may not get back the original amount they invested.

Investment policy

The fund is a multi-asset fund that invests across a range of asset classes, including equities, fixed income securities, convertibles, cash and near cash. Exposure to these assets may be gained either directly or indirectly via collective investment schemes or derivatives. The fund may also invest indirectly via collective investment schemes or derivatives in other asset classes such as property and gold.

The currency exposure of the fund will be actively managed, seeking to enhance returns, with a minimum of 30% of the fund exposed to sterling and a minimum of 60% in developed market currencies (including sterling).

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

Investment approach

The fund manager has a flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the Manager seeks to respond when asset

prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. The fund will typically invest 20-60% of its assets in equities and convertibles, 30-75% in fixed income securities or cash, and up to 20% in other assets. These allocations reflect the net exposure of the portfolio.

The fund will typically take investment positions at index or sector level, but it may also take positions in individual shares or bonds. The fund's investment strategy may involve the use of derivatives to take long or short positions.

Benchmark

Benchmark: SONIA + 5%

The fund is actively managed. The benchmark is a target which the fund seeks to achieve. The rate has been chosen as the fund's target benchmark as it is an achievable performance target given the fund's investment policy. The target benchmark is used solely to measure the fund's performance objective and does not constrain the fund's portfolio construction.

For unhedged share classes, the rate is shown in the share class currency.

Authorised Corporate Director's Report

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 April 2023

Performance against objective

Over the review period, the M&G Episode Allocation Fund produced a positive total return (the combination of income and growth of capital) which was ahead of its benchmark, the Sterling Overnight Index Average (SONIA) + 5% across all of its share classes. The benchmark returned 4.3% over the period. SONIA reflects the average interest rate that banks pay to borrow sterling overnight from other financial institutions.

The fund's objective is to achieve a total return of at least 5% per annum above the 3-month SONIA, before any charges are taken, over any five-year period. Over five years, the fund produced a positive return but did not meet its objective. The annualised five-year return for the benchmark was 5.9% over the period.

Prior to 20 July 2021 the benchmark was to 3-month LIBOR + 5%. Thereafter it is 3-month SONIA + 5%.

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

Performance review

The six months under review was a volatile but ultimately positive period for bond and equity markets. Investor sentiment turned positive and risk assets rallied amid signs that inflation was moderating, raising hopes that major central banks would slow the pace of interest rate hikes.

The reopening of the Chinese economy fuelled great optimism in equity markets, especially in Asia. However, strong US labour market growth dampened that optimism somewhat. High core inflation (without the more volatile components such as energy and food prices) also led to renewed concerns that central banks would raise interest rates higher and hold them at elevated levels for a longer period.

Following central banks' aggressive moves to tighten policy, the combination of high inflation rates and high interest rates — a phenomenon last seen in the 1970s — finally took its toll on the real economy. In March, the collapse of Silicon Valley Bank and the emergency rescue of Swiss lender Credit Suisse raised fears of contagion in the banking system and worries that the resulting tightening in lending conditions could put further pressure on growth. However, markets edged higher in April as concerns about the banking sector receded.

In currency markets, the US dollar weakened against most major currencies during the period. This factor and higher real yields (the return of an investment after adjusting for inflation) resulted in a rally in emerging market bonds, notably in Latin America.

Against this backdrop, the fund delivered a positive return and outperformed its benchmark as most of our holdings added value. Our allocation to equities was the main driver of performance with the exposure to European and Asian stocks proving particularly beneficial. US stocks detracted modestly due to a weaker dollar during the review period.

Authorised Corporate Director's Report

In fixed income, our holdings of longer-dated US government bonds (Treasuries) contributed positively, as did our exposure to emerging market sovereign bonds. Our credit funds also contributed modestly, although our property investment fund detracted.

Our hedging activities were beneficial for performance, notably our US dollar positions relative to sterling, as they enabled us to avoid some of the weakness in the US dollar. However, the weak dollar weighed on our holdings of US Treasury bills, which are part of our cash position.

Investment activities

In terms of activity, we became more cautiously positioned by significantly reducing our equity and bond holdings in the US, with the proceeds being held in cash.

In November 2022, we reduced our exposure to 30-year US Treasuries after a rally in the bond market.

As we entered 2023, we scaled back positions that had performed well and held the proceeds in cash. We closed a small position in a dollar-denominated sovereign bond from Turkey. In February, we sold our financial stocks after good performance and purchased two-year US Treasury notes. After a sharp rally in short-dated Treasuries following the banking crisis, we took full advantage of this 'episode' to close the position.

Outlook

Following the banking crisis in March, attention has returned to US economic data releases in an attempt to gauge global prospects. While data has continued to reflect underlying resilience in the US labour market, there are now signs that the US Federal Reserve's interest rate rises may be finally taking effect on the economy.

Equity markets remain buoyant despite slowing earnings and the unknown full repercussions of the banking crisis. Still, we must remain conscious of the fact that we are now a year into an aggressive interest rate hiking cycle, the lagged effects of which are starting to manifest themselves. We maintain a slightly underweight position in equities, but remain selective in

our exposure and prefer non-US markets which we consider to have cheaper valuations and/or more conservative earnings expectations, such as Europe, Japan and Asia.

We continue to see enhanced return and diversification opportunities across the fixed income space. We prefer the long end of the US Treasury curve, selected emerging market government bonds, notably from Mexico and South Africa, and diversified credit exposure.

All in, we would expect further volatility ahead to present potentially interesting entry points.

Tony Finding & Stuart Canning

Co-fund managers

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

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

Portfolio statement

Investments

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities	0	0.00	5.10
Equity derivatives	(25)	(0.01)	(0.21)
Other	(25)	(0.01)	(0.21)
Other equity futures	(25)	(0.01)	(0.21)
99 Hang Seng China Enterprises Index May 2023	(16)	(0.01)	
34 Hang Seng Index May 2023	(9)	0.00	
Equity portfolios	75,688	33.60	36.13
United Kingdom	8,700	3.86	4.26
2,292,688 M&G Recovery Fund Sterling Class 'C' (Accumulation) ^a	8,700	3.86	
Luxembourg	66,988	29.74	31.87
1,388,297 Amundi MSCI Japan ETF	16,254	7.21	
25,505 Lyxor Core Euro Stoxx 50 ETF	5,130	2.28	
715,996 Lyxor FTSE 100 ETF	9,120	4.05	
62,929 Lyxor MSCI Korea ETF	3,149	1.40	
335,341 Lyxor S&P 500 ETF	11,322	5.03	
38,140 Xtrackers DAX ETF	5,022	2.23	
217,241 Xtrackers FTSE MIB ETF	5,020	2.23	
163,541 Xtrackers MSCI Indonesia Swap ETF	2,255	1.00	
2,097,743 Xtrackers MSCI Singapore ETF	2,385	1.06	
57,124 Xtrackers MSCI Taiwan ETF	2,129	0.94	
221,217 Xtrackers Spain ETF	5,202	2.31	
Fixed income	74,606	33.12	26.09
United Kingdom	49,556	22.00	5.49
Government bonds	49,556	22.00	5.49
£19,942,000 UK Treasury 0% 03/07/2023	19,797	8.79	
£13,027,000 UK Treasury 0% 29/08/2023	12,836	5.70	
£9,906,000 UK Treasury 0% 09/10/2023	9,706	4.31	
£7,379,000 UK Treasury 0% 23/10/2023	7,217	3.20	
United States	5,615	2.49	11.79
Government bonds	5,615	2.49	11.79
US\$9,400,000 US Treasury IL 0.125% 15/02/2052	5,615	2.49	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)			
Brazil	4,609	2.05	1.88
Government bonds	4,609	2.05	1.88
BRL31,000,000 Brazil (Federal Republic of) 10% 01/01/2029	4,609	2.05	
Mexico	8,540	3.79	3.77
Government bonds	8,540	3.79	3.77
MXN216,347,700 Mexico (United Mexican States) 8% 07/11/2047	8,540	3.79	
South Africa	5,875	2.61	2.85
Government bonds	5,875	2.61	2.85
ZAR172,172,800 South Africa (Republic of) 8.5% 31/01/2037	5,875	2.61	
Türkiye	0	0.00	1.29
Government bonds	0	0.00	1.29
Debt derivatives	411	0.18	(0.98)
Interest rate futures	411	0.18	
99 US Ultra Bond Cbt Jun 2023	411	0.18	
Fixed income portfolios	36,888	16.37	16.50
Other	36,888	16.37	16.50
248,438 iShares JPMorgan EM Local Government Bond ETF	8,936	3.97	
93,008 iShares JPMorgan USD EM Bond ETF	6,289	2.79	
94,530 iShares USD High Yield Corporate Bond ETF	6,961	3.09	
3,771,197 M&G Global High Yield Bond Fund Sterling Class 'A' Accumulation ^a	5,047	2.24	
72,210 M&G Total Return Credit Investment Fund ^a	9,655	4.28	
Property	9,970	4.43	5.04
United Kingdom	9,970	4.43	5.04
1,245,323 M&G Property Portfolio Sterling Class 'I' Income ^a	9,970	4.43	
Currency	505	0.22	0.03
Forward currency contracts	505	0.22	0.03
€(25,185,023) Sold for £22,362,789 (expires 31.07.23)	96	0.04	
¥(2,746,234,253) Sold for £16,729,731 (expires 31.07.23)	357	0.16	
US\$8,111,163 Bought for KRW10,783,791,642 (expires 26.07.23)	10	0.00	
SG\$(3,212,143) Sold for £1,935,137 (expires 31.07.23)	5	0.00	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Currency (continued)			
Forward currency contracts (continued)			
US\$2,718,503 Bought for TWD82,090,647 (expires 10.07.23)	22	0.01	
US\$(41,429,282) Sold for £33,197,870 (expires 31.07.23)	15	0.01	
Total portfolio	197,632	87.73	88.68
Net other assets/(liabilities)	27,648	12.27	11.32
Net assets attributable to shareholders	225,280	100.00	100.00

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

^a Related party.

Portfolio statement

Top portfolio transactions for the six months to 30 April 2023

Purchases	£'000
UK Treasury 0% 03/07/2023	19,740
UK Treasury 0% 29/08/2023	12,760
US Treasury 4.125% 31/01/2025	11,232
UK Treasury 0% 09/10/2023	9,697
UK Treasury 0% 23/10/2023	7,217
UK Treasury 0% 02/05/2023	7,116
UK Treasury 0% 06/03/2023	6,735
Brazil (Federal Republic of) 10% 01/01/2029	4,323
Total purchases	78,820

Largest sales	£'000
US Treasury 0% 06/04/2023	19,238
US Treasury 4.125% 31/01/2025	11,361
UK Treasury 0% 17/04/2023	9,305
UK Treasury 0% 02/05/2023	7,226
UK Treasury 0% 06/03/2023	6,793
Brazil (Federal Republic of) 10% 01/01/2023	4,048
Turkey (Republic of) 6.125% 24/10/2028	2,902
UK Treasury 0% 09/01/2023	2,879
Lloyds Banking	2,027
JPMorgan Chase	1,963
Other sales	20,374
Total sales	88,116

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+8.9	+6.8	+1.4	+3.7
Class 'A' Accumulation	+8.9	+6.8	+1.4	+3.7
Class 'I' Income	+9.1	+7.1	+1.8	+4.2
Class 'I' Accumulation	+9.0	+7.1	+1.8	+4.2
Class 'PP' Income	+9.1	+7.2	n/a	n/a
Class 'PP' Accumulation	+9.1	+7.2	n/a	n/a
Class 'R' Income	+8.9	+6.9	+1.6	+4.0
Class 'R' Accumulation	+8.9	+6.9	+1.6	+4.0
Benchmark^b	+4.3	+6.0	+5.9	+5.7

^a Not annualised.

^b The benchmark prior to 20 July 2021 was 3-month GBP LIBOR +5%. Thereafter it is SONIA +5%.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 16 February 2007.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	129.10	143.06	124.80
Return before operating charges	11.60	(8.92)	22.68
Operating charges	(0.70)	(1.45)	(1.58)
Return after operating charges	10.90	(10.37)	21.10
Distributions	(1.99)	(3.59)	(2.84)
Closing NAV	138.01	129.10	143.06
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.02	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	1.05	1.05	1.12
Return after charges	+8.44	-7.25	+16.91
Other information			
Closing NAV (£'000)	25,137	24,167	21,124
Number of shares	18,214,024	18,719,792	14,765,544
Highest share price (UK p)	140.16	146.01	145.53
Lowest share price (UK p)	129.00	127.95	125.53

Sterling Class 'A' Accumulation share performance

The share class was launched on 16 February 2007.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	185.79	200.51	171.45
Return before operating charges	16.69	(12.66)	31.25
Operating charges	(1.02)	(2.06)	(2.19)
Return after operating charges	15.67	(14.72)	29.06
Distributions	(1.87)	(3.07)	(1.77)
Retained distributions	1.87	3.07	1.77
Closing NAV	201.46	185.79	200.51
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.02
Dilution adjustments	0.00	(0.01)	0.00
Total direct transaction costs	0.01	0.01	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	1.05	1.05	1.12
Return after charges	+8.43	-7.34	+16.95
Other information			
Closing NAV (£'000)	32,726	31,426	35,995
Number of shares	16,245,000	16,915,432	17,951,323
Highest share price (UK p)	203.33	204.66	203.16
Lowest share price (UK p)	185.63	182.86	172.44

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	1,246.97	1,376.23	1,195.42
Return before operating charges	111.59	(86.98)	216.33
Operating charges	(4.21)	(8.70)	(9.41)
Return after operating charges	107.38	(95.68)	206.92
Distributions	(18.70)	(33.58)	(26.11)
Closing NAV	1,335.65	1,246.97	1,376.23
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.07	0.15	0.15
Dilution adjustments	(0.01)	(0.04)	(0.02)
Total direct transaction costs	0.06	0.11	0.13
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.65	0.65	0.70
Return after charges	+8.61	-6.95	+17.31
Other information			
Closing NAV (£'000)	14,626	15,179	21,280
Number of shares	1,095,072	1,217,297	1,546,223
Highest share price (UK p)	1,356.05	1,404.74	1,399.08
Lowest share price (UK p)	1,246.03	1,235.47	1,202.47

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	1,554.59	1,672.44	1,425.13
Return before operating charges	139.04	(107.19)	258.58
Operating charges	(5.27)	(10.66)	(11.27)
Return after operating charges	133.77	(117.85)	247.31
Distributions	(18.29)	(30.90)	(20.32)
Retained distributions	18.29	30.90	20.32
Closing NAV	1,688.36	1,554.59	1,672.44
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.09	0.18	0.18
Dilution adjustments	(0.01)	(0.04)	(0.02)
Total direct transaction costs	0.08	0.14	0.16
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.65	0.65	0.70
Return after charges	+8.60	-7.05	+17.35
Other information			
Closing NAV (£'000)	132,967	130,473	229,972
Number of shares	7,875,470	8,392,694	13,750,670
Highest share price (UK p)	1,703.87	1,707.12	1,693.68
Lowest share price (UK p)	1,553.23	1,529.97	1,433.47

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	94.77	104.48	90.62
Return before operating charges	8.47	(6.64)	16.37
Operating charges	(0.27)	(0.55)	(0.56)
Return after operating charges	8.20	(7.19)	15.81
Distributions	(1.41)	(2.52)	(1.95)
Closing NAV	101.56	94.77	104.48
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.55	0.55	0.55
Return after charges	+8.65	-6.88	+17.45
Other information			
Closing NAV (£'000)	93	84	30
Number of shares	91,465	89,089	29,089
Highest share price (UK p)	103.10	106.64	106.19
Lowest share price (UK p)	94.70	93.88	91.16

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	100.70	108.25	92.13
Return before operating charges	9.00	(6.96)	16.70
Operating charges	(0.29)	(0.59)	(0.58)
Return after operating charges	8.71	(7.55)	16.12
Distributions	(1.23)	(2.09)	(1.44)
Retained distributions	1.23	2.09	1.44
Closing NAV	109.41	100.70	108.25
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.55	0.55	0.55
Return after charges	+8.65	-6.97	+17.50
Other information			
Closing NAV (£'000)	14,793	13,194	48,529
Number of shares	13,520,347	13,102,018	44,830,793
Highest share price (UK p)	110.41	110.49	109.60
Lowest share price (UK p)	100.60	99.11	92.67

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	121.84	134.81	117.39
Return before operating charges	10.93	(8.44)	21.30
Operating charges	(0.57)	(1.18)	(1.25)
Return after operating charges	10.36	(9.62)	20.05
Distributions	(1.86)	(3.35)	(2.63)
Closing NAV	130.34	121.84	134.81
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.90	0.90	0.95
Return after charges	+8.50	-7.14	+17.08
Other information			
Closing NAV (£'000)	1,938	1,797	1,930
Number of shares	1,486,765	1,473,852	1,431,852
Highest share price (UK p)	132.36	137.59	137.10
Lowest share price (UK p)	121.74	120.74	118.08

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	152.55	164.44	140.40
Return before operating charges	13.68	(10.44)	25.54
Operating charges	(0.72)	(1.45)	(1.50)
Return after operating charges	12.96	(11.89)	24.04
Distributions	(1.63)	(2.71)	(1.68)
Retained distributions	1.63	2.71	1.68
Closing NAV	165.51	152.55	164.44
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.02	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.90	0.90	0.94
Return after charges	+8.50	-7.23	+17.12
Other information			
Closing NAV (£'000)	3,000	2,781	3,055
Number of shares	1,812,656	1,823,313	1,858,109
Highest share price (UK p)	167.04	167.84	166.58
Lowest share price (UK p)	152.41	150.14	141.22

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Statement of total return

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		15,923		(10,042)
Revenue	3,730		4,152	
Expenses	(827)		(1,189)	
Interest payable and similar charges	(2)		(28)	
Net revenue/(expense) before taxation	2,901		2,935	
Taxation	(528)		(463)	
Net revenue/(expense) after taxation		2,373		2,472
Total return before distributions		18,296		(7,570)
Distributions		(2,577)		(2,656)
Change in net assets attributable to shareholders from investment activities		15,719		(10,226)

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		219,101		372,336
Amounts received on issue of shares	5,457		1,044	
Amounts paid on cancellation of shares	(16,971)		(63,809)	
		(11,514)		(62,765)
Dilution adjustments		24		64
Change in net assets attributable to shareholders from investment activities (see above)		15,719		(10,226)
Retained distributions on Accumulation shares		1,950		2,007
Closing net assets attributable to shareholders		225,280		301,416

The opening net assets attributable to shareholders for 2023 differs to the closing position in 2022 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

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Balance sheet

as at	30 April 2023 £'000	31 October 2022 £'000
Assets		
Fixed assets		
Investments	197,657	197,157
Current assets		
Debtors	937	2,645
Cash and bank balances	6,606	15,529
Cash equivalents	21,068	10,875
Total assets	226,268	226,206
Liabilities		
Investment liabilities	(25)	(2,856)
Creditors		
Distribution payable	(257)	(283)
Other creditors	(706)	(3,966)
Total liabilities	(988)	(7,105)
Net assets attributable to shareholders	225,280	219,101

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 16 March 2023 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income) net of the ongoing charge figure, than the average return of the IA Mixed Investment 40-85% shares sector over any five-year period.

Investment policy

The fund is a multi-asset fund that invests across a range of asset classes, including equities, fixed income securities, convertibles, cash and near cash. Exposure to these assets may be gained either directly or indirectly via collective investment schemes or derivatives. The fund may also invest indirectly via collective investment schemes or derivatives in other asset classes such as property and gold.

The currency exposure of the fund will be actively managed, seeking to enhance returns, with a minimum of 25% of the fund exposed to sterling and a minimum of 50% in developed market currencies (including sterling).

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

Investment approach

The fund managers have a flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the managers seek to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and

countries. The fund will typically invest 40-85% of its assets in equities and convertibles, 15-50% in fixed income securities and cash, and up to 10% in other assets. These allocations reflect the net exposure of the portfolio.

The fund will typically take investment positions at index or sector level, but it may also take positions in individual shares or bonds. The fund's investment strategy may involve the use of derivatives to take long or short positions.

Benchmark

IA Mixed Investment 40-85% shares sector.

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The fund managers have complete freedom in choosing which investments to buy, hold and sell in the fund.

For unhedged share classes, the benchmark is shown in the share class currency.

Authorised Corporate Director's Report

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 April 2023

Performance against objective

Over the review period, the M&G Episode Growth Fund produced a positive total return (the combination of income and growth of capital) across all its share classes. Returns for all classes also surpassed the benchmark IA Mixed Investment 40-85% share sector's gain of 5.3%.

Over five years, the fund produced a positive return but underperformed the benchmark, which delivered an annualised return of 6.2%. This means that the fund did not meet its objective of providing a higher total return, net of the ongoing charge figure, than the average return of the IA Mixed Investment 40-85% shares sector over any five-year period.

The benchmark prior to 10 December 2019 was a composite index comprising 2/3 MSCI ACWI Index and 1/3 Bloomberg Barclays Global Aggregate Index. From 10 December 2019 to 1 February 2021 the Bloomberg

Barclays Global Aggregate Index was changed to the GBP Hedged version. Thereafter, the benchmark is the IA Mixed Investment 40-85% Shares sector.

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

Performance review

The six months under review was a volatile but ultimately positive period for bond and equity markets. Investor sentiment turned positive and risk assets rallied amid signs that inflation was moderating, raising hopes that major central banks would slow the pace of interest rate hikes. The US dollar weakened against most major currencies.

The reopening of the Chinese economy fuelled great optimism in equity markets, especially in Asia. However, strong US labour market growth dampened that optimism somewhat. High core inflation (without the more volatile components such as energy and food prices) also led to renewed concerns that central banks would raise interest rates higher and hold them at elevated levels for longer.

Following central banks' aggressive moves to tighten policy, the combination of high inflation and high interest rates — a phenomenon last seen in the 1970s — finally took its toll on the real economy. In March, the collapse of Silicon Valley Bank and the emergency rescue of Swiss lender Credit Suisse raised fears of a contagion in the banking system and worries that the resulting tightening in lending conditions could put further pressure on growth. However, markets edged higher in April as concerns about the banking sector receded.

Against this backdrop, the fund delivered a positive return in the review period and outperformed its benchmark. Equities were the biggest driver of gains, aided by our exposure to the FTSE 100 index, which advanced on an improving UK economic outlook. Asia ex-Japan shares also contributed positively, mainly due to the rebound in China after the lifting of COVID-related restrictions. Investments in corporate bonds and

Authorised Corporate Director's Report

US government debt boosted returns, while currency hedging enabled the fund to avoid some of the US dollar weakness.

The few performance detractors included our exposure to short-term US Treasury bills, which were weighed down by rising interest rates and the weakening dollar.

Investment activities

We adopted a more cautious stance in the period with a reduction in equity holdings and an increase in cash. The elevated cash position will allow us to take advantage of opportunities as they arise.

Most transactions in the period took place in February, including making our equity investments more diversified and with a preference for a diversified non-US exposure over the US. We cut exposure to world stocks (held via the iShares Core MSCI World ETF, a passively managed fund that tracks a world index that holds a high proportion of US stocks), while increasing exposure to Japanese and developed European ex-UK shares. We also closed our position in Chinese shares, which performed well after China abandoned its zero-COVID policies, while starting a new position in emerging market Asian equities.

We introduced a currency carry trade, increasing exposure to higher-yielding emerging market currencies (Hungary, Brazil and Mexico), while taking short positions in the Japanese yen, Swiss franc and Taiwanese dollar, reflecting our belief that these might fall in value (currency carry is borrowing a currency with a low interest rate while buying a currency with a high interest rate).

Also in February, we opened a position in two-year US Treasuries. This was closed the following month as market upheavals stemming from the US regional banking crisis erased the valuation appeal versus cash.

Outlook

Following the banking crisis in March, attention has returned to US economic data releases in an attempt to gauge global prospects. While data has continued to reflect underlying resilience in the US labour market,

there are now signs that the US Federal Reserve's interest rate rises may be finally taking effect on the economy.

Equity markets remain buoyant despite slowing earnings and the unknown full repercussions of the banking crisis. Still, we must remain conscious of the fact that we are now a year into an aggressive interest rate hiking cycle, the lagged effects of which are starting to manifest themselves. We maintain a slightly underweight position in equities, but remain selective in our exposure and prefer non-US markets which we consider to have cheaper valuations and/or more conservative earnings expectations, such as Europe, Japan and Asia.

We also hold long-dated US government bonds as a hedge against a hard landing, and corporate bonds, which we see as offering decent yields. We maintain a high cash position, giving us scope to respond to any investment opportunities presented by future volatility.

All in, we would expect further volatility ahead to present potentially interesting entry points.

Craig Simpson & Tony Finding

Co-fund managers

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

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

Portfolio statement

Investments

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities	552,694	67.91	72.06
Equity portfolios	552,694	67.91	72.16
United Kingdom	15,925	1.96	1.99
4,811,954 M&G Smaller Companies Fund Sterling Class 'A' Income ^a	15,925	1.96	
Luxembourg	211,400	25.97	22.54
3,154,742 Amundi MSCI Japan ETF	36,936	4.54	
76,412 Lyxor Core Euro Stoxx 50 ETF	15,368	1.89	
12,489,870 Lyxor FTSE 100 ETF	159,096	19.54	
China	0	0.00	2.36
Asia Pacific	27,448	3.37	3.12
1,850,016 M&G Asian Fund Sterling Class 'A' Income ^a	27,448	3.37	
Other	297,921	36.61	42.15
2,054,090 iShares Core FTSE 100 ETF	15,749	1.94	
2,579,336 iShares Core MSCI World ETF	164,133	20.17	
312,254 iShares MSCI EM Asia ETF	38,007	4.67	
2,505,293 Vanguard FTSE Developed Europe Index ETF	80,032	9.83	
Equity derivatives	0	0.00	(0.10)
Equity index futures	0	0.00	(0.10)
Fixed income	231,068	28.39	21.61
Fixed income portfolios	64,466	7.92	8.18
Other	64,466	7.92	8.18
531,807 iShares Core GBP Corporate Bond ETF	64,466	7.92	
Government bonds	165,186	20.30	14.20
United Kingdom	37,544	4.62	2.59
£38,130,000 UK Treasury 0% 04/09/2023	37,544	4.62	
United States	127,642	15.68	11.61
US\$47,200,000 US Treasury 0% 18/05/2023	37,777	4.64	
US\$54,433,000 US Treasury 0% 06/07/2023	43,253	5.31	
US\$59,001,000 US Treasury 0% 17/08/2023	46,612	5.73	
Debt derivatives	1,416	0.17	(0.77)
Interest rate futures	1,416	0.17	(0.77)
341 US Ultra Bond Cbt Jun 2023	1,416	0.17	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Currency	990	0.12	(0.04)
Forward currency contracts	990	0.12	(0.04)
AU\$(16,482,840) Sold for £8,767,988 (expires 31.07.23)	43	0.01	
BRL107,000,000 Bought for \$20,795,031 (expires 26.07.23)	284	0.03	
CHF(18,650,000) Sold for £16,956,497 (expires 31.07.23)	110	0.01	
€23,049,050 Bought for £20,466,174 (expires 31.07.23)	(88)	(0.01)	
HUF7,700,000,000 Bought for £17,606,157 (expires 31.07.23)	50	0.01	
¥(2,905,283,004) Sold for £17,698,637 (expires 31.07.23)	378	0.05	
MXN390,000,000 Bought for £16,951,148 (expires 31.07.23)	27	0.00	
US\$20,101,335 Bought for TWD607,000,000 (expires 10.07.23)	164	0.02	
US\$28,836,106 Bought for HKD225,378,162 (expires 31.07.23)	14	0.00	
US\$(21,119,579) Sold for £16,923,418 (expires 31.07.23)	8	0.00	
Total portfolio	784,752	96.42	93.63
Net other assets/(liabilities)	29,174	3.58	6.37
Net assets attributable to shareholders	813,926	100.00	100.00

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

^a Related party.

Portfolio statement

Top portfolio transactions for the six months to 30 April 2023

Purchases	£'000
US Treasury 0% 17/08/2023	48,260
US Treasury 0% 06/07/2023	44,363
iShares MSCI EM Asia ETF	41,945
US Treasury 4.125% 31/01/2025	41,512
UK Treasury 0% 04/09/2023	37,393
Vanguard FTSE Developed Europe Index	19,679
Amundi MSCI Japan	16,216
Total purchases	249,368

Sales	£'000
iShares Core MSCI World ETF	92,378
US Treasury 0% 23/02/2023	48,249
US Treasury 4.125% 31/01/2025	41,990
HSBC MSCI China ETF	25,681
UK Treasury 0% 09/01/2023	19,994
iShares Core FTSE 100 ETF	9,662
Total sales	237,954

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+8.1	+8.6	+3.1	+5.1
Class 'A' Accumulation	+8.1	+8.6	+3.1	+5.2
Class 'C' Income	+8.6	+9.6	+4.2	+6.4
Class 'I' Income	+8.3	+9.1	+3.6	+5.8
Class 'I' Accumulation	+8.3	+9.1	+3.6	+5.8
Class 'PP' Income	+8.3	+9.2	n/a	n/a
Class 'PP' Accumulation	+8.3	+9.2	n/a	n/a
Class 'R' Income	+8.1	+8.8	+3.3	+5.6
Class 'R' Accumulation	+8.1	+8.8	+3.3	+5.6
Benchmark^b	+5.3	+6.4	+6.2	+7.7

^a Not annualised.

^b From 10 December 2019 to 2 February 2021 the Bloomberg Barclays Global Aggregate Index was changed to the GBP Hedged version. Thereafter it is the IA Mixed Investment 40-85% Shares sector.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 1 October 2002.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	60.11	65.54	55.17
Return before operating charges	5.19	(3.68)	11.81
Operating charges	(0.33)	(0.66)	(0.72)
Return after operating charges	4.86	(4.34)	11.09
Distributions	(0.41)	(1.09)	(0.72)
Closing NAV	64.56	60.11	65.54
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.02	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.03	0.02
Operating charges	1.05	1.05	1.15
Return after charges	+8.09	-6.62	+20.10
Other information			
Closing NAV (£'000)	602,288	579,148	231,814
Number of shares	932,976,477	963,395,031	353,692,321
Highest share price (UK p)	66.05	67.53	66.74
Lowest share price (UK p)	60.40	59.06	55.67

Sterling Class 'A' Accumulation share performance

The share class was launched on 1 October 2002.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	93.11	99.76	83.04
Return before operating charges	8.02	(5.63)	17.79
Operating charges	(0.51)	(1.02)	(1.07)
Return after operating charges	7.51	(6.65)	16.72
Distributions	(0.14)	(0.40)	(0.01)
Retained distributions	0.14	0.40	0.01
Closing NAV	100.62	93.11	99.76
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.03	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.03	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.03	0.02
Operating charges	1.05	1.05	1.14
Return after charges	+8.07	-6.67	+20.13
Other information			
Closing NAV (£'000)	49,320	40,558	72,710
Number of shares	49,015,583	43,560,359	72,887,326
Highest share price (UK p)	102.58	102.42	100.95
Lowest share price (UK p)	93.53	90.94	83.80

Financial highlights

Sterling Class 'C' Income share performance

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

The share class was launched on 16 June 2011.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	70.19	75.75	63.05
Return before operating charges	5.98	(4.36)	13.48
Operating charges	0.00	0.00	0.00
Return after operating charges	5.98	(4.36)	13.48
Distributions	(0.41)	(1.20)	(0.78)
Closing NAV	75.76	70.19	75.75
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.02	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.03	0.02
Operating charges	0.00	0.00	0.00
Return after charges	+8.52	-5.76	+21.38
Other information			
Closing NAV (£'000)	14,400	13,388	14,839
Number of shares	19,008,341	19,073,434	19,589,991
Highest share price (UK p)	77.36	78.07	77.02
Lowest share price (UK p)	70.53	68.92	63.63

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	1,517.70	1,648.13	1,381.33
Return before operating charges	130.89	(92.59)	296.16
Operating charges	(5.14)	(10.41)	(11.32)
Return after operating charges	125.75	(103.00)	284.84
Distributions	(10.46)	(27.43)	(18.04)
Closing NAV	1,632.99	1,517.70	1,648.13
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.14	0.48	0.24
Dilution adjustments	(0.02)	(0.04)	(0.03)
Total direct transaction costs	0.12	0.44	0.21
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.03	0.02
Operating charges	0.65	0.65	0.72
Return after charges	+8.29	-6.25	+20.62
Other information			
Closing NAV (£'000)	35,743	33,874	39,223
Number of shares	2,188,827	2,231,915	2,379,868
Highest share price (UK p)	1,669.65	1,698.30	1,677.35
Lowest share price (UK p)	1,524.85	1,490.84	1,394.09

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	1,874.30	2,000.19	1,657.94
Return before operating charges	161.26	(113.18)	355.84
Operating charges	(6.35)	(12.71)	(13.59)
Return after operating charges	154.91	(125.89)	342.25
Distributions	(6.58)	(20.83)	(8.17)
Retained distributions	6.58	20.83	8.17
Closing NAV	2,029.21	1,874.30	2,000.19
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.17	0.58	0.29
Dilution adjustments	(0.02)	(0.05)	(0.04)
Total direct transaction costs	0.15	0.53	0.25
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.03	0.02
Operating charges	0.65	0.65	0.72
Return after charges	+8.26	-6.29	+20.64
Other information			
Closing NAV (£'000)	55,020	47,907	48,497
Number of shares	2,711,406	2,555,995	2,424,609
Highest share price (UK p)	2,067.42	2,053.92	2,022.93
Lowest share price (UK p)	1,882.99	1,830.32	1,673.55

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	110.26	119.61	100.11
Return before operating charges	9.44	(6.75)	21.46
Operating charges	(0.32)	(0.63)	(0.65)
Return after operating charges	9.12	(7.38)	20.81
Distributions	(0.69)	(1.97)	(1.31)
Closing NAV	118.69	110.26	119.61
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.03	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.03	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.03	0.02
Operating charges	0.55	0.55	0.58
Return after charges	+8.27	-6.17	+20.79
Other information			
Closing NAV (£'000)	821	849	48
Number of shares	691,908	769,696	39,696
Highest share price (UK p)	121.33	123.25	121.71
Lowest share price (UK p)	110.78	108.30	101.04

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	113.70	121.23	100.34
Return before operating charges	9.73	(6.88)	21.55
Operating charges	(0.33)	(0.65)	(0.66)
Return after operating charges	9.40	(7.53)	20.89
Distributions	(0.40)	(1.37)	(0.66)
Retained distributions	0.40	1.37	0.66
Closing NAV	123.10	113.70	121.23
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.04	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.03	0.02
Operating charges	0.55	0.55	0.58
Return after charges	+8.27	-6.21	+20.82
Other information			
Closing NAV (£'000)	1,212	941	460
Number of shares	984,616	827,215	379,740
Highest share price (UK p)	125.44	124.49	122.59
Lowest share price (UK p)	114.24	111.04	101.29

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	148.67	161.85	135.99
Return before operating charges	12.81	(9.08)	29.12
Operating charges	(0.70)	(1.41)	(1.49)
Return after operating charges	12.11	(10.49)	27.63
Distributions	(1.02)	(2.69)	(1.77)
Closing NAV	159.76	148.67	161.85
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.05	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.05	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.03	0.02
Operating charges	0.90	0.90	0.97
Return after charges	+8.15	-6.48	+20.32
Other information			
Closing NAV (£'000)	8,869	8,145	8,760
Number of shares	5,551,454	5,478,821	5,412,532
Highest share price (UK p)	163.43	166.76	164.78
Lowest share price (UK p)	149.36	146.05	137.24

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	183.78	196.62	163.39
Return before operating charges	15.83	(11.11)	35.03
Operating charges	(0.86)	(1.73)	(1.80)
Return after operating charges	14.97	(12.84)	33.23
Distributions	(0.41)	(1.57)	(0.34)
Retained distributions	0.41	1.57	0.34
Closing NAV	198.75	183.78	196.62
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.06	0.03
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.02	0.06	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.03	0.02
Operating charges	0.90	0.90	0.97
Return after charges	+8.15	-6.53	+20.34
Other information			
Closing NAV (£'000)	46,253	43,952	46,483
Number of shares	23,271,188	23,915,172	23,641,029
Highest share price (UK p)	202.57	201.88	198.93
Lowest share price (UK p)	184.63	179.49	164.89

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Statement of total return

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		60,738		(25,957)
Revenue	5,256		6,580	
Expenses	(3,885)		(4,184)	
Interest payable and similar charges	0		(24)	
Net revenue/(expense) before taxation	1,371		2,372	
Taxation	0		(77)	
Net revenue/(expense) after taxation		1,371		2,295
Total return before distributions		62,109		(23,662)
Distributions		(4,640)		(5,844)
Change in net assets attributable to shareholders from investment activities		57,469		(29,506)

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		768,762		899,494
Amounts received on issue of shares	28,181		38,552	
Amounts paid on cancellation of shares	(40,848)		(81,364)	
		(12,667)		(42,812)
Dilution adjustments		19		38
Change in net assets attributable to shareholders from investment activities (see above)		57,469		(29,506)
Retained distributions on Accumulation shares		341		400
Unclaimed distributions		2		6
Closing net assets attributable to shareholders		813,926		827,620

The opening net assets attributable to shareholders for 2023 differs to the closing position in 2022 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

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Balance sheet

as at	30 April 2023 £'000	31 October 2022 £'000
Assets		
Fixed assets		
Investments	784,840	726,874
Current assets		
Debtors	180	230
Cash and bank balances	32,911	57,639
Total assets	817,931	784,743
Liabilities		
Investment liabilities	(88)	(7,047)
Creditors		
Distribution payable	(2,420)	(3,735)
Other creditors	(1,497)	(5,199)
Total liabilities	(4,005)	(15,981)
Net assets attributable to shareholders	813,926	768,762

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

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For the purposes of these financial statements, the Prospectus dated 16 March 2023 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income) net of the ongoing charge figure, than the average return of the IA Flexible Investment Sector over any five-year period.

Investment policy

The fund is a multi-asset fund that invests at least 70% of its assets in other collective investment schemes in order to gain exposure to assets from anywhere in the world, including equities, fixed income, convertibles, cash, or near cash. The fund may also invest directly in these assets.

In aggregate, the fund will invest at least 70% of its assets in equities, either directly or via collective investment schemes.

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

Investment approach

The fund manager's investment views are mainly implemented by investing in other funds. This will typically be via M&G's own funds, but the fund may also invest in funds managed by other companies where appropriate in order to best reflect the fund manager's investment views.

The fund manager has a flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the fund manager seeks to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to the market's reaction to events.

Benchmark

IA Flexible Investment Sector.

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

For unhedged share classes, the benchmark is shown in the share class currency.

Risk profile

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

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the six months ended 30 April 2023

Performance against objective

Over the review period, the M&G Managed Growth Fund delivered a positive total return (the combination of capital growth and income) across all share classes, ahead of its target benchmark, which is the IA Flexible Investment Sector average, which delivered 4.9% over the six months.

Over five years, the fund has delivered a positive total return across all share classes, but has not met its objective of delivering a higher total return, net of the ongoing charge figure, than the IA Flexible Investment Sector average over any five-year period. The benchmark returned 7.2% per annum over five years.

The benchmark prior to 1 September 2018 was the FTSE World Index. From 1 September 2018 it was a composite index comprising 85% MSCI ACWI Index and 15% Bloomberg Barclays Global Aggregate Index. From 9 December 2019 to 2 February 2021 the Bloomberg Barclays Global Aggregate Index was changed to the GBP-hedged version.

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

Performance review

The six months under review was a volatile, but ultimately positive period for global equity and bond markets, amid fluctuating expectations around inflation, interest rates and economic growth. Markets rose in the fourth quarter of 2022 as inflation in major economies appeared to be nearing a peak, raising hopes that interest rates could soon be reduced. However, the rally proved short-lived and central banks ended the year on a hawkish note.

2023 began more positively, as the reopening of the Chinese economy fuelled optimism in equity markets, especially in Asia. However, strong US labour market growth dampened sentiment. High core inflation (without the more volatile components such as energy and food prices) led to renewed concerns that central

banks would raise interest rates higher and hold them at elevated levels for longer.

March brought further volatility, as the collapse of Silicon Valley Bank and the emergency rescue of Swiss lender Credit Suisse raised fears of contagion in the wider banking system, sparking worries that the resulting tightening in lending conditions could put further pressure on growth. However, markets edged higher in April as concerns about the banking sector receded.

Despite the challenging backdrop, the fund delivered a positive return over the period, outperforming its benchmark.

The fund is invested in other funds – typically those managed by M&G – providing exposure primarily to equities. It was the exposure to equity markets that was responsible for much of the fund's positive return, notably via the M&G (Lux) Pan European Sustain Paris Aligned Fund, the M&G Japan Fund, the M&G Global Emerging Markets Fund and the M&G Global Sustain Paris Aligned Fund.

A fund that invests in US financial stocks was the largest detractor, adversely affected by the banking crisis in the US and the weakness of the US dollar. The only notable laggards were two other US-focused funds, the M&G North American Value Fund and the M&G North American Dividend Fund.

In terms of sectors, the fund holds significant positions in financials, industrials and technology companies via its underlying funds. The holdings in industrials, technology and consumer discretionary proved most beneficial during the period, although financials detracted.

Investment activities

The fund retains significant diversified exposure to equities, which will most likely be the primary driver of returns. We made no material changes to the funds held in the portfolio. In terms of underlying holdings, reductions in risk holdings made by the managers of the multi asset funds resulted in a modest trimming of

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the exposure to equities and financial companies, primarily in the US.

While the majority of the fund is invested in equities, there is some exposure to longer-dated US government bonds through multi asset funds. In the opinion of the manager, the valuations of these bonds now look reasonable and the higher yields available may offer some protection in the event of negative economic news.

Outlook

Following the banking crisis in March, a lot of attention will return to the US economic releases in an attempt to gauge global growth prospects. While data continued to reflect underlying resilience in the US labour market, there are now signs that the Federal Reserve's interest rate rises may finally be taking effect on the economy.

Investors acknowledge a wide range of possible outcomes from here. Plausible arguments can be made for inflation to remain stubborn and policy to remain tight or for inflation to drop and central banks to pause, and for either growth to improve or for a deeper recession than the consensus suggests.

Given prevailing valuations, the likely rewards on offer for betting aggressively on any one of these scenarios seem limited. Instead we await the next bout of panic or overconfidence in markets to create excess volatility, so creating a tactical investment opportunity.

Craig Simpson

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities	849,388	98.86	98.41
Equity portfolios	849,388	98.86	98.41
United Kingdom	68,043	7.92	7.56
5,495,103 M&G Positive Impact Fund Sterling Class 'I' Accumulation ^a	8,567	1.00	
28,231,285 M&G Recovery Fund Sterling Class 'C' Income ^a	33,982	3.95	
904,440 M&G UK Sustain Paris Aligned Fund Sterling Class 'A' Income ^a	25,494	2.97	
United States	195,975	22.81	25.45
456,761 Invesco Financials S&P US Select Sector ETF	89,908	10.46	
1,135,365 M&G North American Dividend Fund Sterling Class 'A' Income ^a	32,901	3.83	
43,919,941 M&G North American Value Fund Sterling Class 'A' Income ^a	73,166	8.52	
Japan	77,868	9.06	8.65
121,157,741 M&G Japan Fund Sterling Class 'A' Income ^a	77,868	9.06	
Asia Pacific	50,500	5.88	5.40
3,403,675 M&G Asian Fund Sterling Class 'A' Income ^a	50,500	5.88	
Other	457,002	53.19	51.35
7,114,818 M&G (Lux) Episode Macro Fund Sterling Class 'SI-H' Accumulation ^a	89,351	10.40	
2,931,874 M&G (Lux) European Strategic Value Fund Euro Class 'C' Accumulation ^a	34,409	4.00	
1,861,939 M&G (Lux) Global Target Return Fund Euro Class 'CI' Accumulation ^a	18,643	2.17	
3,479,051 M&G (Lux) Pan European Select Fund Euro Class 'A' Accumulation ^a	84,882	9.88	
864,441 M&G (Lux) Sustainable Allocation Fund Euro Class 'CI' Accumulation ^a	8,670	1.01	
22,271,610 M&G Global Emerging Markets Fund Sterling Class 'A' Income ^a	59,619	6.94	
11,677,691 M&G Global Strategic Value Fund Sterling Class 'I' Accumulation ^a	28,052	3.27	
16,207,586 M&G Global Sustain Paris Aligned Fund Sterling Class 'A' Income ^a	98,033	11.41	
2,785,868 M&G Global Themes Fund Sterling Class 'A' Income ^a	35,343	4.11	
Currency	1,312	0.15	0.08
Forward currency contracts	1,312	0.15	0.08
AU\$(12,014,327) Sold for £6,390,978 (expires 31.07.23)	31	0.00	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Currency (continued)			
Forward currency contracts (continued)			
CHF(11,308,120) Sold for £10,281,292 (expires 31.07.23)	67	0.01	
DKK(183,505,867) Sold for £21,881,661 (expires 31.07.23)	95	0.01	
€(68,062,270) Sold for £60,435,212 (expires 31.07.23)	259	0.03	
¥(6,260,205,807) Sold for £38,136,427 (expires 31.07.23)	813	0.09	
US\$(129,431,546) Sold for £103,715,330 (expires 31.07.23)	47	0.01	
Total portfolio	850,700	99.01	98.49
Net other assets/(liabilities)	8,506	0.99	1.51
Net assets attributable to shareholders	859,206	100.00	100.00

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

^a Related party.

Portfolio statement

Top portfolio transactions for the six months to 30 April 2023

There were no purchase transactions during the period.

Sales	£'000
M&G (Lux) European Strategic Value Fund Euro Class 'C' Accumulation ^a	4,194
Total sales	4,194

^a Related party.

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+7.3	+12.6	+5.3	+6.6
Class 'A' Accumulation	+7.5	+12.7	+5.4	+6.7
Class 'C' Income	+8.1	+13.7	+6.3	+7.8
Class 'I' Income	+7.3	+13.0	+5.7	+7.1
Class 'I' Accumulation	+7.3	+13.0	+5.7	+7.1
Class 'PP' Income	+7.4	+13.1	n/a	n/a
Class 'PP' Accumulation	+7.4	+13.1	n/a	n/a
Class 'R' Income	+7.2	+12.8	+5.5	+6.9
Class 'R' Accumulation	+7.2	+12.8	+5.5	+6.9
Benchmark^b	+4.9	+7.9	+7.2	+9.7

^a Not annualised.

^b The benchmark prior to 1 September 2018 was the FTSE World Index. From 1 September 2018 it was a composite index comprising 85% MSCI ACWI Index and 15% Bloomberg Barclays Global Aggregate Index. From 9 December 2019 to the 2 February 2021 the Bloomberg Barclays Global Aggregate Index was changed to the GBP hedged version. Thereafter it is the IA Flexible Investment Sector average.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 1 October 2002.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	120.84	127.72	97.96
Return before operating charges	9.55	(2.73)	33.36
Operating charges	(0.66)	(1.31)	(1.38)
Return after operating charges	8.89	(4.04)	31.98
Distributions	(0.91)	(2.84)	(2.22)
Closing NAV	128.82	120.84	127.72
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	1.05	1.06	1.15
Return after charges	+7.36	-3.16	+32.65
Other information			
Closing NAV (£'000)	462,549	444,289	87,680
Number of shares	359,076,273	367,651,936	68,648,307
Highest share price (UK p)	134.09	131.46	130.30
Lowest share price (UK p)	121.94	118.53	99.37

Sterling Class 'A' Accumulation share performance

The share class was launched on 1 October 2002.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	149.58	154.32	116.31
Return before operating charges	11.98	(3.13)	39.65
Operating charges	(0.82)	(1.61)	(1.64)
Return after operating charges	11.16	(4.74)	38.01
Distributions	(0.67)	(2.08)	(1.00)
Retained distributions	0.67	2.08	1.00
Closing NAV	160.74	149.58	154.32
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	1.05	1.06	1.15
Return after charges	+7.46	-3.07	+32.68
Other information			
Closing NAV (£'000)	50,814	45,316	52,653
Number of shares	31,613,025	30,295,815	34,119,927
Highest share price (UK p)	166.12	159.11	155.65
Lowest share price (UK p)	150.93	144.20	118.12

Financial highlights

Sterling Class 'C' Income share performance

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

The share class was launched on 21 June 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	130.19	136.38	103.58
Return before operating charges	9.66	(3.27)	35.35
Operating charges	0.00	0.00	0.00
Return after operating charges	9.66	(3.27)	35.35
Distributions	(0.56)	(2.92)	(2.55)
Closing NAV	139.29	130.19	136.38
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.00	0.01	0.00
Return after charges	+7.42	-2.40	+34.13
Other information			
Closing NAV (£'000)	154,445	150,362	167,349
Number of shares	110,881,995	115,495,717	122,710,435
Highest share price (UK p)	144.32	140.37	139.02
Lowest share price (UK p)	131.39	127.54	104.79

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	1,775.25	1,869.48	1,427.95
Return before operating charges	135.68	(42.20)	486.64
Operating charges	(6.00)	(12.04)	(12.64)
Return after operating charges	129.68	(54.24)	474.00
Distributions	(10.85)	(39.99)	(32.47)
Closing NAV	1,894.08	1,775.25	1,869.48
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.15
Dilution adjustments	0.00	(0.01)	(0.01)
Total direct transaction costs	0.00	0.00	0.14
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.65	0.66	0.72
Return after charges	+7.30	-2.90	+33.19
Other information			
Closing NAV (£'000)	48,810	45,860	50,931
Number of shares	2,576,964	2,583,286	2,724,349
Highest share price (UK p)	1,968.08	1,923.52	1,905.59
Lowest share price (UK p)	1,791.63	1,740.23	1,446.94

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	2,102.61	2,165.82	1,626.06
Return before operating charges	160.55	(49.23)	554.18
Operating charges	(7.11)	(13.98)	(14.42)
Return after operating charges	153.44	(63.21)	539.76
Distributions	(7.28)	(34.39)	(24.15)
Retained distributions	7.28	34.39	24.15
Closing NAV	2,256.05	2,102.61	2,165.82
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.17
Dilution adjustments	0.00	(0.01)	(0.01)
Total direct transaction costs	0.00	0.00	0.16
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.65	0.66	0.72
Return after charges	+7.30	-2.92	+33.19
Other information			
Closing NAV (£'000)	80,309	73,813	74,910
Number of shares	3,559,715	3,510,550	3,458,727
Highest share price (UK p)	2,330.83	2,228.32	2,179.62
Lowest share price (UK p)	2,121.68	2,021.42	1,646.80

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	113.27	119.18	90.95
Return before operating charges	8.74	(2.74)	30.93
Operating charges	(0.32)	(0.64)	(0.65)
Return after operating charges	8.42	(3.38)	30.28
Distributions	(0.79)	(2.53)	(2.05)
Closing NAV	120.90	113.27	119.18
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.55	0.56	0.58
Return after charges	+7.43	-2.84	+33.29
Other information			
Closing NAV (£'000)	1,066	1,004	79
Number of shares	881,784	886,424	66,000
Highest share price (UK p)	125.71	122.65	121.49
Lowest share price (UK p)	114.31	111.02	92.13

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	122.64	126.24	94.69
Return before operating charges	9.44	(2.91)	32.24
Operating charges	(0.35)	(0.69)	(0.69)
Return after operating charges	9.09	(3.60)	31.55
Distributions	(0.55)	(2.12)	(1.58)
Retained distributions	0.55	2.12	1.58
Closing NAV	131.73	122.64	126.24
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.55	0.56	0.59
Return after charges	+7.41	-2.85	+33.32
Other information			
Closing NAV (£'000)	2,452	2,092	451
Number of shares	1,861,430	1,705,576	357,121
Highest share price (UK p)	136.07	129.89	127.04
Lowest share price (UK p)	123.75	117.85	95.89

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	174.91	184.66	141.39
Return before operating charges	13.53	(4.08)	48.16
Operating charges	(0.82)	(1.64)	(1.68)
Return after operating charges	12.71	(5.72)	46.48
Distributions	(1.23)	(4.03)	(3.21)
Closing NAV	186.39	174.91	184.66
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.90	0.91	0.97
Return after charges	+7.27	-3.10	+32.87
Other information			
Closing NAV (£'000)	6,946	6,247	5,848
Number of shares	3,726,821	3,571,511	3,166,532
Highest share price (UK p)	193.92	189.99	188.28
Lowest share price (UK p)	176.53	171.54	143.35

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	205.70	212.34	159.78
Return before operating charges	15.86	(4.74)	54.47
Operating charges	(0.96)	(1.90)	(1.91)
Return after operating charges	14.90	(6.64)	52.56
Distributions	(0.59)	(2.84)	(1.74)
Retained distributions	0.59	2.84	1.74
Closing NAV	220.60	205.70	212.34
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.90	0.91	0.97
Return after charges	+7.24	-3.13	+32.90
Other information			
Closing NAV (£'000)	51,815	49,737	50,748
Number of shares	23,488,304	24,179,104	23,899,673
Highest share price (UK p)	228.01	218.92	214.14
Lowest share price (UK p)	207.57	198.31	161.91

Financial statements and notes

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Statement of total return

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		57,471		(5,861)
Revenue	6,140		5,243	
Expenses	(3,333)		(3,520)	
Interest payable and similar charges	(1)		0	
Net revenue/(expense) before taxation	2,806		1,723	
Taxation	0		0	
Net revenue/(expense) after taxation		2,806		1,723
Total return before distributions		60,277		(4,138)
Distributions		(4,912)		(4,320)
Change in net assets attributable to shareholders from investment activities		55,365		(8,458)

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		818,720		900,947
Amounts received on issue of shares	18,452		19,564	
Amounts paid on cancellation of shares	(33,957)		(35,174)	
		(15,505)		(15,610)
Dilution adjustments		4		6
Change in net assets attributable to shareholders from investment activities (see above)		55,365		(8,458)
Retained distributions on Accumulation shares		620		338
Unclaimed distributions		2		2
Closing net assets attributable to shareholders		859,206		877,225

The opening net assets attributable to shareholders for 2023 differs to the closing position in 2022 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

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Balance sheet

as at	30 April 2023 £'000	31 October 2022 £'000
Assets		
Fixed assets		
Investments	850,700	806,656
Current assets		
Debtors	499	1,071
Cash and bank balances	13,308	23,288
Total assets	864,507	831,015
Liabilities		
Investment liabilities	0	(266)
Creditors		
Distribution payable	(4,227)	(11,191)
Other creditors	(1,074)	(838)
Total liabilities	(5,301)	(12,295)
Net assets attributable to shareholders	859,206	818,720

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

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For the purposes of these financial statements, the Prospectus dated 16 March 2023 has been used.

Investment objective

The fund aims to provide a total return (the combination of capital growth and income) of 4 to 8% per annum over any five-year period, net of the ongoing charges figure, while applying ESG criteria and/or impact criteria.

There is no guarantee that the fund will achieve a positive return over five years or any other period and investors may not get back the original amount they invested.

Investment policy

The fund is a multi-asset fund that typically invests directly across a range of asset classes, including equities, fixed income securities, convertibles, cash and near cash. Exposure to these assets may also be gained indirectly, via collective investment schemes (including funds managed by M&G) or derivatives. The fund may also invest indirectly in other asset classes such as property and gold.

The fund will typically invest 20-60% of its assets in equities and convertibles, 20-80% in fixed income securities or cash, and up to 20% in other assets. These allocations reflect the net exposure of the portfolio.

The fund invests in assets that meet the ESG criteria and/or impact criteria. This is achieved through the use of M&G's proprietary analysis and/or third party ESG information. Typically, the fund holds 20%-60% of its net asset value in positive impact assets. It always holds at least 20% of its net asset value in positive impact assets.

The following types of exclusions apply to the fund's direct investments:

- Norms-based exclusions: investments that are assessed to be in breach of commonly accepted standards of behaviour related to human rights, labour rights, environment and anti-corruption.

- Sector-based and/or values-based exclusions: investments and/or sectors exposed to business activities that are assessed to be damaging to human health, societal wellbeing, the environment, or otherwise assessed to be misaligned with the fund's sector-based and/or values-based criteria.
- Other exclusions: investments assessed to be otherwise in conflict with the ESG criteria and/or impact criteria.

References to "assessed" above mean assessment in accordance with the ESG criteria and impact criteria document as referenced in the ESG Information section below. Further information on the exclusions applicable to the fund can be found in the prospectus.

Collective investment schemes and derivatives may be subject to different ESG criteria and/or impact criteria than securities held directly. The fund manager will assess the suitability of such instruments relative to the fund's investment objective. If a derivative does not satisfy the ESG criteria and/or impact criteria, the fund may only invest via the instrument to take advantage of short-term market movements and to hedge currency exposures. It may also not be practicable to perform ESG analysis on cash and near cash to the same standards as other securities held directly.

The currency exposure of the fund will be actively managed, seeking to enhance returns, with a minimum of 70% of the fund exposed to sterling.

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

Investment approach

The fund's approach to sustainable investment is through flexible asset allocation, whilst investing in securities issued by companies or governments that uphold high standards of environmental, social and governance behaviour as set out in the ESG criteria. In addition, the fund maintains a core holding of assets that have a positive societal impact through addressing

Authorised Corporate Director's Report

the world's major social and environmental challenges as set out in the impact criteria.

The fund manager has a flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the fund manager seeks to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. The fund's annualised volatility is expected to be between 4% and 7%, over any five-year period.

ESG information

Additional information is available to investors on the fund page on our website:

- ESG criteria and impact criteria: in the document titled "M&G Sustainable Multi Asset Fund - ESG criteria and impact criteria" which includes the fund's exclusions approach.
- Periodic reporting about the fund's non-financial characteristics.

Benchmark

Benchmark: None.

The fund is actively managed and it has no benchmark. Investors can assess the performance of the fund by its objective to provide a total return of 4 to 8% per annum over any five-year period.

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 April 2023

Performance against objective

For the six months under review, the fund delivered a positive total return (the combination of income and capital growth) across all its share classes.

As the fund was launched in February 2019, it is not possible to measure performance against its five-year objective, which is to provide a combination of capital growth and income of 4-8% per annum, net of the ongoing charge figure over any five-year period, while applying environmental, social and governance (ESG) and impact criteria.

Over the past year, the fund's volatility has tracked higher than expectations (10.8% for the Sterling 'I' Accumulation share class. The expected volatility over any five year period is 4-7%, annualised). This heightened volatility reflects the volatility seen in equity and bond markets over the period. As volatility increased both in equities and fixed income markets

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last year the 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. Over the past three years, annualised volatility was 9.1%.

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

Performance review

The period under review was volatile for global equity and fixed income (bond) markets, as concerns over inflation, interest rates and slower economic growth persisted and the war in Ukraine brought ongoing uncertainty. Markets rose in the fourth quarter of 2022 as inflation in major economies appeared to be nearing a peak, raising hopes that interest rates could soon be reduced. However, the rally proved short-lived as major central banks ended the year on a hawkish note.

Towards the end of the period, the collapse of two US regional banks and the UBS rescue of Credit Suisse caused turmoil in the banking sector. However, a swift resolution helped to reassure investors. The inflation picture also improved slightly as headline figures began trending lower – notably in the US, where interest rates were expected to stabilise. Progress was slower in the eurozone and the UK, where core inflation continued to put pressure on consumers.

Despite the turbulent backdrop, most asset classes delivered positive returns over the period.

Equities, which make up the largest proportion of the fund, were the key driver of performance. Exposure to European banks was particularly beneficial (the banking sector typically benefits from high interest rates), while our exposure to German and UK equity holdings also performed well. Our holdings among technology companies also delivered strong returns as companies in the sector reported improved results.

In fixed income, euro-denominated corporate bonds contributed positively, as did our Latin American holdings. Positive performance from US corporate

bonds was offset by currency weakness, and a European Investment Bank bond in South African rand detracted.

For government bonds, particularly long-dated ones, interest rate worries continued to push US Treasury yields up and prices down (the two move inversely) until mid-March, when yields collapsed on growth concerns stemming from the banking sector crisis. UK gilts remained weak (having collapsed following the autumn 'mini-budget') and contributed negatively, although our exposure was low. Our allocations to US Treasuries and emerging market government bonds were advantageous overall.

The fund has maintained a diverse range of holdings within its positive impact asset bucket. At the end of the reporting period, 41% of the fund was allocated to positive impact investments: those that aim to have a positive impact through actively addressing today's big environmental and social challenges. Meanwhile, the larger positive environmental, social and governance (ESG) tilt portion of the fund has been maintained. The overall MSCI ESG score for the portfolio at the end of the period was 7.5, which equates to an MSCI ESG rating of AA.

Investment activities

In November, we added European banking exposure via positions in various green bonds, where we felt the market's outlook appeared overly pessimistic.

We carried out minor portfolio rebalancing in early 2023 to improve the fund's sustainability credentials, including selling out of LG and Honda, and switching to Takeda Pharmaceutical and Hitachi. We increased exposure to US banks in March, but quickly trimmed our position in response to stockmarket-specific moves – demonstrating the flexibility and agility of our investment approach.

We maintain a neutral position to government bonds and duration, with a preference for US Treasuries and the long end of the curve. We remain underweight credit but are gradually increasing our exposure.

Authorised Corporate Director's Report

Meanwhile, an elevated cash level positions us well to take advantage of short-term opportunities and market volatility.

Outlook

Investors are seemingly becoming more comfortable with economic developments. There are also signs that the US Federal Reserve's string of interest rate increases is starting to cool the red-hot US jobs market. This may suggest that the Fed is nearing the end of its tightening cycle.

Still, there is a chance that investor comfort is really complacency. That would likely leave markets open to shocks from relatively small surprises in economic data, for instance. This is one reason why we expect further market volatility and potentially interesting entry points.

In equities, valuations seem high to us and they appear to be based on relatively benign economic expectations. That's against a backdrop of slowing earnings and a lingering banking crisis in the US. We therefore remain selective in our exposure and prefer markets with cheaper valuations and/or more conservative earnings expectations, such as Europe, Japan and Asia.

In fixed income, we continue to see opportunities across the sector for enhanced return and diversification opportunities – as demonstrated by the renewed de-correlation seen across asset classes in recent weeks.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities	18,998	47.22	44.86
United Kingdom	2,697	6.70	6.60
UK equities	2,697	6.70	6.60
8,637 Bank of Georgia	261	0.65	
63,527 DS Smith	196	0.49	
385,677 Greencoat UK Wind	606	1.51	
685,199 Home REIT ^a	261	0.65	
70,182 Legal & General	163	0.40	
122,363 Marks & Spencer	199	0.49	
623,793 Octopus Renewables Infrastructure Trust	626	1.56	
25,693 Segro REIT	211	0.52	
19,023 WPP	174	0.43	
Belgium	139	0.35	0.40
Belgian equities	139	0.35	0.40
2,461 KBC	139	0.35	
Denmark	848	2.11	1.95
Danish equities	848	2.11	1.95
20,687 ALK-Abelló	209	0.52	
1,523 Novo Nordisk	204	0.51	
3,463 Ørsted	247	0.61	
978 Rockwool	188	0.47	
France	1,148	2.85	2.72
French equities	1,148	2.85	2.72
3,410 BNP Paribas	173	0.43	
1,819 Capgemini	263	0.65	
4,592 Danone	241	0.60	
479 Kering	243	0.60	
1,655 Schneider Electric	228	0.57	
Germany	841	2.09	2.09
German equities	841	2.09	2.09
5,620 Fresenius Medical Care	214	0.53	
3,409 Mercedes-Benz	209	0.52	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Germany (continued)			
German equities (continued)			
690	Münchener Rückversicherungs-Gesellschaft	204	0.51
1,976	SAP	214	0.53
Guernsey		611	1.52
Guernsey equities		611	1.52
478,288	Renewables Infrastructure	611	1.52
Ireland		592	1.47
Irish equities		592	1.47
626,821	Greencoat Renewables ^b	592	1.47
Italy		409	1.02
Italian equities		409	1.02
12,285	Assicurazioni Generali	203	0.51
30,126	Terna	206	0.51
Netherlands		159	0.40
Dutch equities		159	0.40
16,358	ING	159	0.40
Spain		916	2.28
Spanish equities		916	2.28
4,502	Amadeus IT	249	0.62
34,183	Banco Bilbao Vizcaya Argentaria	200	0.50
53,621	Banco Santander	149	0.37
24,338	Grifols	197	0.49
33,468	Telefónica	121	0.30
United States		5,847	14.53
US equities		5,847	14.53
1,877	Agilent Technologies	200	0.50
3,859	Alphabet	331	0.82
1,659	American Express	210	0.52
1,098	Ansys	276	0.69
1,799	Apple	241	0.60
5,775	Ball	243	0.60

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
United States (continued)			
US equities (continued)			
8,887 Bank of New York Mellon	298	0.74	
435 BlackRock	230	0.57	
2,591 Bright Horizons Family Solutions	155	0.39	
14,278 Hannon Armstrong Sustainable Infrastructure Capital REIT	319	0.79	
1,563 Illumina	255	0.63	
9,680 Intel	243	0.60	
4,295 Johnson Controls International	204	0.51	
623 Lam Research	258	0.64	
1,220 Microsoft	297	0.74	
1,080 NVIDIA	235	0.58	
2,349 PNC Financial Services	240	0.60	
2,105 Quest Diagnostics	236	0.59	
1,827 Republic Services	202	0.50	
827 SolarEdge Technologies	189	0.47	
1,986 Texas Instruments	262	0.65	
693 UnitedHealth	272	0.68	
1,134 Visa	208	0.52	
2,928 Xylem	243	0.60	
Canada	229	0.57	0.53
Canadian equities	229	0.57	0.53
9,889 Boralex	229	0.57	
Brazil	347	0.86	0.52
Brazilian equities	347	0.86	0.52
98,098 AES Brasil Energia	166	0.41	
564,290 Cogna Educação	181	0.45	
Japan	1,743	4.33	3.67
Japanese equities	1,743	4.33	3.67
13,400 Dai-ichi Life	199	0.49	
9,380 Daiwa House Industry	191	0.48	
3,700 Hitachi	163	0.41	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Japan (continued)			
Japanese equities (continued)			
5,170 Horiba	227	0.56	
11,200 Katitas	174	0.43	
2,957 Murata Manufacturing	137	0.34	
33,019 Obayashi	220	0.55	
26,065 Panasonic	195	0.48	
1,600 Sony	120	0.30	
4,400 Takeda Pharmaceutical	117	0.29	
Australia	460	1.14	0.60
Australian equities	460	1.14	0.60
33,096 Brambles	249	0.62	
1,618 Cochlear	211	0.52	
Hong Kong	563	1.40	1.05
Hong Kong equities	563	1.40	1.05
20,152 AIA	174	0.43	
262,000 Lenovo	214	0.53	
81,600 Swire Properties	175	0.44	
India	227	0.57	0.61
Indian equities	227	0.57	0.61
4,080 HDFC Bank ADR	227	0.57	
South Korea	190	0.47	0.76
South Korean equities	190	0.47	0.76
4,845 Samsung Electronics	190	0.47	
Taiwan	798	1.98	1.51
Taiwanese equities	798	1.98	1.51
67,000 ASE Technology	176	0.44	
169,073 Cathay Financial	187	0.46	
368,269 E.Sun Financial	239	0.59	
15,000 Taiwan Semiconductor Manufacturing	196	0.49	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
South Africa	234	0.58	0.34
South African equities	234	0.58	0.34
96,340 Sanlam	234	0.58	
Fixed income			
United Kingdom	9,745	24.22	10.54
Government bonds	9,170	22.79	10.09
£1,653,326 UK Treasury 0% 15/05/2023	1,651	4.10	
£2,780,000 UK Treasury 0% 10/07/2023	2,757	6.85	
£3,275,055 UK Treasury 0% 24/07/2023	3,242	8.06	
£1,130,705 UK Treasury 0% 04/09/2023	1,113	2.77	
£732,675 UK Treasury 1.5% 31/07/2053	407	1.01	
Investment grade corporate bonds	409	1.02	0.45
IDR8,110,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	409	1.02	
Below investment grade corporate bonds	166	0.41	0.00
€203,000 Vodafone 0.9% 24/11/2026	166	0.41	
Belgium	159	0.40	0.00
Below investment grade corporate bonds	159	0.40	0.00
€200,000 KBC Var. Rate 0.25% 01/03/2027	159	0.40	
France	816	2.03	0.53
Investment grade corporate bonds	0	0.00	0.53
Below investment grade corporate bonds	816	2.03	0.00
US\$259,000 EDF 3.625% 13/10/2025	203	0.51	
€237,000 Renault 1% 28/11/2025	194	0.48	
€300,000 Société Générale Var. Rate 0.875% 22/09/2028	227	0.56	
€232,000 Unibail-Rodamco-Westfield 1% 14/03/2025	192	0.48	
Germany	423	1.05	0.00
Investment grade corporate bonds	276	0.69	0.00
€264,000 Mercedes-Benz 0.75% 10/09/2030	195	0.49	
€118,000 Mercedes-Benz 0.75% 11/03/2033	81	0.20	
Below investment grade corporate bonds	147	0.36	0.00
€200,000 ZF Finance 2.25% 03/05/2028	147	0.36	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)			
Italy	188	0.47	0.00
Below investment grade corporate bonds	188	0.47	0.00
€213,000 Intesa Sanpaolo 4.75% 06/09/2027	188	0.47	
Luxembourg	774	1.92	0.00
Investment grade corporate bonds	774	1.92	0.00
ZAR44,670,000 European Investment Bank 0% 18/10/2032	774	1.92	
Netherlands	240	0.60	0.00
Below investment grade corporate bonds	240	0.60	0.00
€100,000 EDP Finance 0.375% 16/09/2026	79	0.20	
€200,000 ING 2.5% 15/11/2030	161	0.40	
Portugal	163	0.41	0.44
Investment grade corporate bonds	0	0.00	0.44
Below investment grade corporate bonds	163	0.41	0.00
€200,000 EDP - Energias de Portugal 1.625% 15/04/2027	163	0.41	
Sweden	415	1.03	0.42
Below investment grade corporate bonds	415	1.03	0.42
€243,000 Swedbank Var. Rate 0.3% 20/05/2027	189	0.47	
€143,000 Volvo Car 2.5% 07/10/2027	113	0.28	
€136,000 Volvo Car 4.25% 31/05/2028	113	0.28	
United States	5,010	12.45	25.13
Government bonds	0	0.00	14.74
Investment grade corporate bonds	3,951	9.82	9.07
€100,000 Apple 0% 15/11/2025	82	0.20	
US\$250,000 Apple 3% 20/06/2027	193	0.48	
£810,000 Inter-American Development Bank 1.375% 15/12/2024	767	1.91	
US\$975,000 Inter-American Development Bank 4.375% 24/01/2044	802	1.99	
IDR7,320,000,000 Inter-American Development Bank 5.1% 17/11/2026	389	0.97	
BRL4,010,000 International Bank for Reconstruction & Development 0% 30/01/2024	591	1.47	
MXN20,660,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	800	1.99	

Portfolio statement

Investments (continued)

Holding		as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)				
United States (continued)				
Investment grade corporate bonds (continued)				
BRL1,440,000	International Bank for Reconstruction & Development 5% 22/01/2026	205	0.51	
US\$193,000	Prologis 1.25% 15/10/2030	122	0.30	
Below investment grade corporate bonds		1,059	2.63	1.32
US\$115,000	Ball 2.875% 15/08/2030	77	0.19	
US\$173,000	Ball 3.125% 15/09/2031	115	0.29	
US\$181,000	Boston Properties 2.55% 01/04/2032	108	0.27	
US\$164,000	Boston Properties 4.5% 01/12/2028	119	0.29	
US\$189,000	DaVita 3.75% 15/02/2031	121	0.30	
US\$116,000	DaVita 4.625% 01/06/2030	80	0.20	
US\$251,000	HCA 5% 15/03/2024	200	0.50	
US\$165,000	Xylem 1.95% 30/01/2028	118	0.29	
US\$179,000	Xylem 2.25% 30/01/2031	121	0.30	
Chile		1,190	2.96	3.05
Government bonds		1,190	2.96	3.05
CLP840,000,000	Chile (Republic of) 5% 01/10/2028	807	2.01	
€664,000	Chile (Republic of) 1.25% 29/01/2040	383	0.95	
Colombia		794	1.97	1.44
Government bonds		794	1.97	1.44
COP6,002,300,000	Colombia (Republic of) 7% 26/03/2031	794	1.97	
Mexico		0	0.00	1.90
Government bonds		0	0.00	1.90
South Africa		0	0.00	1.28
Government bonds		0	0.00	1.28
Cayman Islands		0	0.00	0.46
Investment grade corporate bonds		0	0.00	0.46
Debt derivatives		154	0.38	0.00
Interest rate futures		154	0.38	
43	US Ultra Bond Cbt Jun 2023	154	0.38	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Currency	51	0.12	0.09
Forward currency contracts	51	0.12	0.09
AU\$(768,235) Sold for £408,660 (expires 31.07.23)	2	0.01	
CA\$(368,540) Sold for £217,200 (expires 31.07.23)	1	0.00	
DKK(6,597,333) Sold for £786,681 (expires 31.07.23)	3	0.01	
€(8,040,686) Sold for £7,139,646 (expires 31.07.23)	30	0.07	
HK\$(5,148,951) Sold for £528,250 (expires 31.07.23)	1	0.00	
US\$977,700 Bought for TWD29,523,592 (expires 10.07.23)	10	0.02	
US\$(9,998,201) Sold for £8,011,700 (expires 31.07.23)	4	0.01	
Total portfolio	39,120	97.23	90.14
Net other assets/(liabilities)	1,113	2.77	9.86
Net assets attributable to shareholders	40,233	100.00	100.00

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

^a Suspended.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the six months to 30 April 2023

Largest purchases	£'000
UK Treasury 0% 24/07/2023	3,213
UK Treasury 0% 10/07/2023	2,732
UK Treasury 0% 15/05/2023	2,517
UK Treasury 0% 30/01/2023	1,966
UK Treasury 0% 04/09/2023	1,111
European Investment Bank 0% 18/10/2032	881
International Bank for Reconstruction & Development 4.25% 22/01/2026	777
Inter-American Development Bank 1.375% 15/12/2024	773
European Bank for Reconstruction & Development 4.25% 07/02/2028	403
Inter-American Development Bank 5.1% 17/11/2026	383
Other purchases	8,524
Total purchases	23,280

Largest sales	£'000
US Treasury 3% 15/02/2048	5,080
UK Treasury 0% 06/02/2023	2,733
UK Treasury 0% 30/01/2023	2,698
UK Treasury 0% 15/05/2023	889
Mexico (United Mexican States) 8.5% 18/11/2038	739
Inter-American Development Bank 0.875% 03/04/2025	727
South Africa (Republic of) 6.25% 31/03/2036	539
Inter-American Development Bank 7.875% 14/03/2023	513
US Treasury 3% 15/08/2052	369
LG	289
Other sales	3,139
Total sales	17,715

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+6.2	+3.8	n/a	n/a
Class 'A' Accumulation	+6.2	+3.8	n/a	n/a
Class 'I' Income	+6.4	+4.2	n/a	n/a
Class 'I' Accumulation	+6.4	+4.2	n/a	n/a
Class 'L' Income	+6.5	+4.4	n/a	n/a
Class 'L' Accumulation	+6.5	+4.4	n/a	n/a
Class 'PP' Income	+6.4	+4.3	n/a	n/a
Class 'PP' Accumulation	+6.4	+4.3	n/a	n/a
Class 'R' Income	+6.3	+4.0	n/a	n/a
Class 'R' Accumulation	+6.3	+4.0	n/a	n/a

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 20 February 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	94.70	113.37	99.13
Return before operating charges	6.53	(14.41)	18.13
Operating charges	(0.60)	(1.23)	(1.20)
Return after operating charges	5.93	(15.64)	16.93
Distributions	(1.51)	(3.03)	(2.69)
Closing NAV	99.12	94.70	113.37
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.04
Dilution adjustments	0.00	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	1.13	1.14	1.09
Return after charges	+6.26	-13.80	+17.08
Other information			
Closing NAV (£'000)	1,009	961	1,070
Number of shares	1,017,539	1,015,265	943,691
Highest share price (UK p)	102.57	116.75	115.71
Lowest share price (UK p)	94.78	93.34	99.75

Sterling Class 'A' Accumulation share performance

The share class was launched on 20 February 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	105.07	122.15	104.26
Return before operating charges	7.22	(15.76)	19.17
Operating charges	(0.66)	(1.32)	(1.28)
Return after operating charges	6.56	(17.08)	17.89
Distributions	(1.11)	(2.06)	(1.56)
Retained distributions	1.11	2.06	1.56
Closing NAV	111.63	105.07	122.15
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.04
Dilution adjustments	0.00	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	1.13	1.14	1.09
Return after charges	+6.24	-13.98	+17.16
Other information			
Closing NAV (£'000)	356	330	126
Number of shares	318,784	313,997	103,449
Highest share price (UK p)	114.50	125.78	123.81
Lowest share price (UK p)	105.14	102.72	104.92

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 20 February 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	96.42	114.94	100.06
Return before operating charges	6.61	(14.73)	18.26
Operating charges	(0.41)	(0.81)	(0.75)
Return after operating charges	6.20	(15.54)	17.51
Distributions	(1.49)	(2.98)	(2.63)
Closing NAV	101.13	96.42	114.94
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.04
Dilution adjustments	0.00	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	0.73	0.74	0.67
Return after charges	+6.43	-13.52	+17.50
Other information			
Closing NAV (£'000)	4,387	3,422	1,743
Number of shares	4,338,378	3,548,733	1,516,158
Highest share price (UK p)	104.55	118.37	117.22
Lowest share price (UK p)	96.50	94.99	100.70

Sterling Class 'I' Accumulation share performance

The share class was launched on 20 February 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	106.60	123.54	105.08
Return before operating charges	7.30	(16.06)	19.25
Operating charges	(0.46)	(0.88)	(0.79)
Return after operating charges	6.84	(16.94)	18.46
Distributions	(1.29)	(2.47)	(1.98)
Retained distributions	1.29	2.47	1.98
Closing NAV	113.44	106.60	123.54
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.05
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.01	0.00	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	0.73	0.74	0.66
Return after charges	+6.42	-13.71	+17.57
Other information			
Closing NAV (£'000)	10,493	8,750	6,102
Number of shares	9,249,792	8,208,180	4,939,225
Highest share price (UK p)	116.27	127.22	125.15
Lowest share price (UK p)	106.68	104.21	105.76

Financial highlights

Sterling Class 'L' Income share performance

The share class was launched on 20 February 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	97.21	115.68	100.49
Return before operating charges	6.63	(14.88)	18.30
Operating charges	(0.31)	(0.61)	(0.52)
Return after operating charges	6.32	(15.49)	17.78
Distributions	(1.55)	(2.98)	(2.59)
Closing NAV	101.98	97.21	115.68
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.04
Dilution adjustments	0.00	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	0.53	0.54	0.46
Return after charges	+6.50	-13.39	+17.69
Other information			
Closing NAV (£'000)	21	20	24
Number of shares	20,700	20,700	20,700
Highest share price (UK p)	105.39	119.15	117.93
Lowest share price (UK p)	97.29	95.78	101.14

Sterling Class 'L' Accumulation share performance

The share class was launched on 20 February 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	107.30	124.15	105.42
Return before operating charges	7.32	(16.20)	19.28
Operating charges	(0.35)	(0.65)	(0.55)
Return after operating charges	6.97	(16.85)	18.73
Distributions	(1.41)	(2.67)	(2.19)
Retained distributions	1.41	2.67	2.19
Closing NAV	114.27	107.30	124.15
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.05
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.01	0.00	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	0.53	0.54	0.46
Return after charges	+6.50	-13.57	+17.77
Other information			
Closing NAV (£'000)	21,376	19,685	13,567
Number of shares	18,706,708	18,345,597	10,928,592
Highest share price (UK p)	117.08	127.87	125.74
Lowest share price (UK p)	107.38	104.89	106.10

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	94.32	112.33	97.67
Return before operating charges	6.45	(14.42)	17.80
Operating charges	(0.35)	(0.69)	(0.60)
Return after operating charges	6.10	(15.11)	17.20
Distributions	(1.45)	(2.90)	(2.54)
Closing NAV	98.97	94.32	112.33
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.04
Dilution adjustments	0.00	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	0.63	0.64	0.55
Return after charges	+6.47	-13.45	+17.61
Other information			
Closing NAV (£'000)	327	317	288
Number of shares	330,760	335,653	256,266
Highest share price (UK p)	102.29	115.70	114.55
Lowest share price (UK p)	94.40	92.92	98.30

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	104.57	121.09	102.92
Return before operating charges	7.14	(15.77)	18.80
Operating charges	(0.39)	(0.75)	(0.63)
Return after operating charges	6.75	(16.52)	18.17
Distributions	(1.32)	(2.52)	(2.06)
Retained distributions	1.32	2.52	2.06
Closing NAV	111.32	104.57	121.09
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.04
Dilution adjustments	0.00	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	0.63	0.64	0.55
Return after charges	+6.46	-13.64	+17.65
Other information			
Closing NAV (£'000)	1,062	1,021	834
Number of shares	954,033	976,257	688,422
Highest share price (UK p)	114.07	124.70	122.66
Lowest share price (UK p)	104.64	102.22	103.55

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 20 February 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	95.49	114.17	99.64
Return before operating charges	6.57	(14.55)	18.22
Operating charges	(0.53)	(1.09)	(1.02)
Return after operating charges	6.04	(15.64)	17.20
Distributions	(1.52)	(3.04)	(2.67)
Closing NAV	100.01	95.49	114.17
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.04
Dilution adjustments	0.00	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	0.98	0.99	0.92
Return after charges	+6.33	-13.70	+17.26
Other information			
Closing NAV (£'000)	199	154	266
Number of shares	199,506	161,422	232,915
Highest share price (UK p)	103.45	117.57	116.49
Lowest share price (UK p)	95.57	94.13	100.28

Sterling Class 'R' Accumulation share performance

The share class was launched on 20 February 2019.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	105.82	122.87	104.73
Return before operating charges	7.26	(15.88)	19.22
Operating charges	(0.59)	(1.17)	(1.08)
Return after operating charges	6.67	(17.05)	18.14
Distributions	(1.18)	(2.24)	(1.73)
Retained distributions	1.18	2.24	1.73
Closing NAV	112.49	105.82	122.87
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.04
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.01	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.03	0.00	0.01
Operating charges	0.98	0.99	0.92
Return after charges	+6.30	-13.88	+17.32
Other information			
Closing NAV (£'000)	1,003	940	1,037
Number of shares	891,371	888,081	844,098
Highest share price (UK p)	115.35	126.53	124.52
Lowest share price (UK p)	105.89	103.45	105.39

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		1,845		(1,953)
Revenue	653		375	
Expenses	(105)		(79)	
Interest payable and similar charges	(1)		0	
Net revenue/(expense) before taxation	547		296	
Taxation	(84)		(42)	
Net revenue/(expense) after taxation		463		254
Total return before distributions		2,308		(1,699)
Distributions		(483)		(264)
Change in net assets attributable to shareholders from investment activities		1,825		(1,963)

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		35,600		25,057
Amounts received on issue of shares	3,298		7,710	
Amounts paid on cancellation of shares	(899)		(667)	
		2,399		7,043
Dilution adjustments		5		15
Change in net assets attributable to shareholders from investment activities (see above)		1,825		(1,963)
Retained distributions on Accumulation shares		404		231
Closing net assets attributable to shareholders		40,233		30,383

The opening net assets attributable to shareholders for 2023 differs to the closing position in 2022 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2023 £'000	31 October 2022 £'000
Assets		
Fixed assets		
Investments	39,120	32,126
Current assets		
Debtors	213	235
Cash and bank balances	1,159	3,407
Total assets	40,492	35,768
Liabilities		
Investment liabilities	0	(36)
Creditors		
Bank overdrafts	(48)	0
Distribution payable	(52)	(38)
Other creditors	(159)	(94)
Total liabilities	(259)	(168)
Net assets attributable to shareholders	40,233	35,600

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

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For the purposes of these financial statements, the Prospectus dated 16 March 2023 has been used.

Investment objective

The fund has two aims:

- To limit the average volatility to 12% per annum over any five-year period while providing a total return (the combination of capital growth and income) over that period; and
- To invest in assets which meet the fund's preferred ESG standards and/or those that provide a positive societal impact through addressing the world's major social and environmental challenges.

Investment policy

The fund invests globally across a range of asset classes, including equities and equity-related securities, fixed income securities, cash and near cash. Exposure to these assets is typically gained directly, but may also be gained indirectly, via funds (including funds managed by M&G) or derivatives. The fund may also invest to a limited extent indirectly in other asset classes such as property and gold.

Typically, the fund holds 20-60% of its net asset value in equities and equity related securities, but there is no obligation on the fund manager to hold a particular level of equity exposure.

The fund aims to exclude securities issued by:

- Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption;
- Companies involved in the production of tobacco, alcohol, adult entertainment, controversial weapons, thermal coal, or the provision of gambling services;

- Companies that derive more than 10% of their revenue from the distribution of tobacco, unconventional oil and gas extraction, and the production or distribution of other weapons;
- Conventional oil and gas extraction companies that derive less than 40% of their revenue from activities related to natural gas extraction or renewable energy sources; and
- Electricity utilities companies that derive more than 10% of their power production from coal, more than 30% from oil and gas, or nuclear fuel sources. However, the fund may hold companies that have a clear business model of accelerating the transition to low-carbon power production, up to a maximum total limit of 5% of the fund's net asset value.

Where the fund invests directly, these investments meet the fund's ESG criteria or impact criteria:

- The ESG criteria are designed to consider key ESG risks and identify companies and governments which meet preferred standards of ESG behaviour.
- The impact criteria are designed to identify investments that have a positive societal impact. Typically, the fund holds 20%-50% of its net asset value in positive impact assets. It always holds at least 20% of its net asset value in positive impact assets and there is no cap on the level of positive impact exposure.

Further information on M&G's approach to ESG standards and exclusions and impact criteria can be found on our website: mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf

Indirect investments are not subject to the same ESG and/or impact restrictions as securities held directly. The fund manager will assess the suitability of such investments relative to the fund's non-financial objective. For further details please see our website.

The only investments that are not subject to assessment relative to the fund's non-financial

Authorised Corporate Director's Report

objective are: the use of derivatives to take advantage of short-term market movements and to hedge currency exposures, and cash.

The currency exposure of the fund will be actively managed, seeking to enhance returns, with a minimum of 70% of the fund exposed to sterling.

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

Investment approach

The fund's approach to sustainable investment is to invest in securities issued by companies or governments that uphold high standards of ESG behaviour, as assessed using the fund's ESG criteria. In addition, the fund maintains a core holding of assets that have a positive societal impact, as assessed using the fund's impact criteria. As part of the investment process, the fund manager considers the long-term sustainability of assets, including carbon intensity and climate adaptability.

The fund manager's assessment of ESG criteria and impact criteria relies upon the use of third-party ESG information and/or proprietary analysis. Further information on M&G's approach to ESG standards and exclusions and impact criteria can be found on our website.

Volatility is managed by using research to estimate the variation in value and risk of different types of assets. The fund seeks to manage volatility and risk through flexible asset allocation, by investing globally across multiple asset classes, sectors, currencies and countries, in response to changes in economic conditions and asset values. This approach combines research to work out the anticipated value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities.

The fund's volatility management objective may limit potential gains as well as losses.

Benchmark

Benchmark: IA Mixed Investment 20-60% shares sector.

The benchmark is a comparator for the fund's financial objective against which the fund's financial performance can be measured. The sector has been chosen as the fund's benchmark as it reflects the financial aspects of the fund's investment policy. The comparator benchmark does not constrain the fund's portfolio construction.

The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund within the constraints set by the fund's objective and investment policy.

An annual ESG and positive impact review to provide an assessment of the non-financial objective of the fund will be made available on our website.

Risk profile

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

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the six months ended 30 April 2023

Volatility against objective

It is not yet possible to measure the fund's volatility against its five-year volatility objective, which is to limit the average volatility to 12% per annum over any five-year period while providing a total return (the combination of capital growth and income) over that period, because the fund was only launched on 8 December 2020. Volatility over a shorter period is not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's investment objective. We have a framework in place to monitor volatility on an ex-ante basis whilst the fund builds up enough history. Currently, the fund's volatility remains below its ceiling and has not exceeded it.

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	12.0	10.1

Performance against objective

Between 1 November 2022 (the start of the review period) and 30 April 2023, total returns (the combination of income and growth of capital) for all share classes of the M&G Sustainable Multi Asset Balanced Fund surpassed the benchmark IA Mixed Investment 20-60% Shares sector's 4.7% gain.

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

Performance review

Global stocks and bonds gained in the review period, even if steep sell-offs made for a bumpy ride. Inflation expectations were a key driver as signs that price rises were cooling from sky-high levels would spark optimism about a potential end to US interest-rate increases. By contrast, strong economic data would reignite rate fears and rattle markets. The Federal Reserve raised rates four times in the period, lifting its benchmark to a range of 4.75% to 5.00%.

Markets generally rallied in late 2022 amid waning inflation expectations and the easing of COVID restrictions in China. There were also strong gains for global equities and government bonds in January. February was a poor month because of renewed concerns about inflation and interest rates.

March saw gains even amid a banking crisis. Global shares rallied as macroeconomic optimism outweighed a slump in bank stocks following the collapse of Silicon Valley Bank and the forced sale of Credit Suisse. Government bonds surged as banking fears spurred a flight to safety. April also recorded gains as regulators contained the fallout from the bank failures, including orchestrating the sale of First Republic to JPMorgan.

The fund's performance was driven by our equity exposure, particularly our holdings in Europe and Asia. Notable drivers in Europe included bank shares, as well as stocks in Germany and the UK. In Asia, the fund made gains across the region, including Japan, aided by the relaxation of COVID restrictions in China.

Holdings of corporate and government debt boosted performance, particularly emerging market bonds in Latin America.

About 45% of the fund's holdings were defined as positive impact assets at the end of April, including investments in equities, corporate bonds and infrastructure. The average ESG score for holdings rated by MSCI was 7.51, which is equivalent to an AA grade.

Investment activities

The fund raised its exposure to European bank debt in November via green bonds as we felt the market seemed overly pessimistic about the sector. Coupled with greater exposure to supranationals, the purchases helped to raise corporate bonds to almost a quarter of fund holdings at the end of April – up from less than 20% at the end of October. The proportion of assets held in AAA bonds also climbed. Still, the overall credit rating exposure remained at A.

Elsewhere, we increased our holdings of European shares (excluding UK), notably via investments in

Authorised Corporate Director's Report

France. US equities remained the fund's largest exposure overall, with a slight reduction in weight, ahead of supnationals and US government debt.

Overall, we are cautiously positioned. Elevated cash levels will allow us to act quickly as opportunities arise.

Outlook

Investors are seemingly becoming more comfortable with economic developments. There are also signs that the US Federal Reserve's string of interest rate increases is starting to cool the red-hot US jobs market. This may suggest that the Fed is nearing the end of its tightening cycle.

Still, there is a chance that investor comfort is really complacency. Markets remain open to shocks from relatively small surprises in economic data, and we expect potentially interesting entry points to be generated by further market volatility.

In equities, valuations seem high to us and they appear to be based on relatively benign economic expectations – all against a backdrop of slowing earnings and a lingering banking crisis in the US. We remain selective in our exposure and prefer markets with cheaper valuations and/or more conservative earnings expectations, such as Europe and Asia.

In fixed income, we continue to see opportunities across the sector for enhanced return and diversification opportunities – as demonstrated by the renewed de-correlation seen across asset classes in recent weeks.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities	21,798	46.89	45.50
United Kingdom	2,927	6.30	6.42
UK equities	2,927	6.30	6.42
10,180 Bank of Georgia	308	0.66	
68,944 DS Smith	212	0.46	
446,221 Greencoat UK Wind	701	1.51	
783,249 Home REIT ^a	298	0.64	
63,905 Legal & General	149	0.32	
187,253 Marks & Spencer	305	0.66	
681,997 Octopus Renewables Infrastructure Trust	685	1.47	
15,277 Segro REIT	125	0.27	
15,763 WPP	144	0.31	
Belgium	217	0.47	0.28
Belgian equities	217	0.47	0.28
3,837 KBC	217	0.47	
Denmark	855	1.84	1.37
Danish equities	855	1.84	1.37
15,212 ALK-Abelló	153	0.33	
2,068 Novo Nordisk	277	0.59	
2,713 Ørsted	194	0.42	
1,199 Rockwool	231	0.50	
France	1,320	2.84	2.71
French equities	1,320	2.84	2.71
3,085 BNP Paribas	157	0.34	
1,516 Capgemini	219	0.47	
19,757 Crédit Agricole	191	0.41	
5,230 Danone	275	0.59	
411 Kering	208	0.45	
1,962 Schneider Electric	270	0.58	
Germany	901	1.94	1.60
German equities	901	1.94	1.60
663 Allianz	131	0.28	
2,384 Bayerische Motoren Werke	210	0.45	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Germany (continued)			
German equities (continued)			
8,173 Fresenius Medical Care	312	0.67	
2,288 SAP	248	0.54	
Guernsey	707	1.52	1.00
Guernsey equities	707	1.52	1.00
553,370 Renewables Infrastructure	707	1.52	
Ireland	685	1.47	1.42
Irish equities	685	1.47	1.42
725,448 Greencoat Renewables ^b	685	1.47	
Italy	481	1.04	0.68
Italian equities	481	1.04	0.68
14,405 Assicurazioni Generali	238	0.51	
35,511 Terna	243	0.53	
Netherlands	216	0.46	0.47
Dutch equities	216	0.46	0.47
22,168 ING	216	0.46	
Spain	859	1.85	1.66
Spanish equities	859	1.85	1.66
4,287 Amadeus IT	237	0.51	
40,292 Banco Bilbao Vizcaya Argentaria	236	0.51	
26,881 Grifols	218	0.47	
46,702 Telefónica	168	0.36	
United States	7,291	15.68	16.00
US equities	7,291	15.68	16.00
2,093 Agilent Technologies	223	0.48	
4,097 Alphabet	352	0.76	
1,956 American Express	248	0.53	
4,544 AMERISAFE	201	0.43	
973 Ansys	245	0.53	
1,659 Apple	222	0.48	
4,454 Ball	187	0.40	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
United States (continued)			
US equities (continued)			
9,122 Bank of New York Mellon	306	0.66	
376 BlackRock	199	0.43	
4,181 Bright Horizons Family Solutions	250	0.54	
3,219 CBRE	196	0.42	
16,525 Hannon Armstrong Sustainable Infrastructure Capital REIT	369	0.79	
1,352 Illumina	220	0.47	
8,632 Intel	217	0.47	
4,762 Johnson Controls International	226	0.49	
3,617 Kellogg	201	0.43	
582 Lam Research	241	0.52	
1,219 Microsoft	297	0.64	
1,766 NVIDIA	383	0.82	
5,020 ON Semiconductor	279	0.60	
2,005 PNC Financial Services	205	0.44	
1,547 Procter & Gamble	194	0.42	
2,025 Quest Diagnostics	227	0.49	
2,114 Republic Services	233	0.50	
1,207 SolarEdge Technologies	275	0.59	
1,551 Texas Instruments	205	0.44	
484 Thermo Fisher Scientific	210	0.45	
672 UnitedHealth	264	0.57	
998 Visa	183	0.39	
2,803 Xylem	233	0.50	
Canada	279	0.60	0.57
Canadian equities	279	0.60	0.57
12,061 Boralex	279	0.60	
Brazil	448	0.96	1.26
Brazilian equities	448	0.96	1.26
146,964 AES Brasil Energia	249	0.53	
621,176 Cogna Educação	199	0.43	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Japan	1,857	4.00	4.02
Japanese equities	1,857	4.00	4.02
8,800 Dai-ichi Life	131	0.28	
11,300 Daiwa House Industry	230	0.50	
3,200 Hitachi	140	0.30	
5,800 Horiba	255	0.55	
11,700 Katitas	182	0.39	
3,600 Murata Manufacturing	167	0.36	
31,400 Obayashi	209	0.45	
32,200 Panasonic	240	0.52	
1,900 Sony	143	0.31	
6,000 Takeda Pharmaceutical	160	0.34	
Australia	485	1.04	1.01
Australian equities	485	1.04	1.01
34,881 Brambles	262	0.56	
1,711 Cochlear	223	0.48	
Hong Kong	752	1.62	1.46
Hong Kong equities	752	1.62	1.46
31,200 AIA	270	0.58	
310,000 Lenovo	253	0.55	
107,000 Swire Properties	229	0.49	
India	228	0.49	0.53
Indian equities	228	0.49	0.53
4,101 HDFC Bank ADR	228	0.49	
South Korea	200	0.43	0.71
South Korean equities	200	0.43	0.71
5,098 Samsung Electronics	200	0.43	
Taiwan	908	1.95	1.87
Taiwanese equities	908	1.95	1.87
84,000 ASE Technology	220	0.47	
230,384 Cathay Financial	255	0.55	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Taiwan (continued)			
Taiwanese equities (continued)			
223,592 E.Sun Financial	145	0.31	
22,000 Taiwan Semiconductor Manufacturing	288	0.62	
South Africa	182	0.39	0.46
South African equities	182	0.39	0.46
75,208 Sanlam	182	0.39	
Fixed income	23,575	50.72	50.24
United Kingdom			
Government bonds			
£1,116,708 UK Treasury 0% 15/05/2023	1,115	2.40	
£2,971,000 UK Treasury 0% 10/07/2023	2,947	6.34	
£3,932,096 UK Treasury 0% 24/07/2023	3,892	8.37	
£2,169,115 UK Treasury 0% 04/09/2023	2,136	4.60	
£848,197 UK Treasury 1.5% 31/07/2053	471	1.01	
Investment grade corporate bonds	222	0.48	0.39
IDR4,410,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	222	0.48	
Below investment grade corporate bonds	245	0.52	0.00
€300,000 Vodafone 0.9% 24/11/2026	245	0.52	
Belgium	238	0.51	0.00
Below investment grade corporate bonds	238	0.51	0.00
€300,000 KBC Var. Rate 0.25% 01/03/2027	238	0.51	
France	840	1.81	1.18
Investment grade corporate bonds	0	0.00	0.91
Below investment grade corporate bonds	840	1.81	0.27
US\$299,000 EDF 3.625% 13/10/2025	235	0.51	
€143,000 Renault 1% 28/11/2025	117	0.25	
€300,000 Société Générale Var. Rate 0.875% 22/09/2028	227	0.49	
€300,000 Unibail-Rodamco-Westfield 2.5% 26/02/2024	261	0.56	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)			
Germany	454	0.98	0.92
Investment grade corporate bonds	307	0.66	0.92
€290,000 Mercedes-Benz 0.75% 10/09/2030	214	0.46	
€136,000 Mercedes-Benz 0.75% 11/03/2033	93	0.20	
Below investment grade corporate bonds	147	0.32	0.00
€200,000 ZF Finance 2.25% 03/05/2028	147	0.32	
Italy	208	0.45	0.49
Investment grade corporate bonds	0	0.00	0.49
Below investment grade corporate bonds	208	0.45	0.00
€235,000 Intesa Sanpaolo 4.75% 06/09/2027	208	0.45	
Luxembourg	1,853	3.98	2.96
Investment grade corporate bonds	1,853	3.98	2.96
ZAR25,840,000 European Investment Bank 0% 18/10/2032	448	0.96	
£1,489,000 European Investment Bank 0.75% 15/11/2024	1,405	3.02	
Netherlands	368	0.79	0.48
Investment grade corporate bonds	0	0.00	0.48
Below investment grade corporate bonds	368	0.79	0.00
€160,000 EDP Finance 0.375% 16/09/2026	127	0.27	
€300,000 ING 2.5% 15/11/2030	241	0.52	
Portugal	245	0.53	0.39
Investment grade corporate bonds	0	0.00	0.39
Below investment grade corporate bonds	245	0.53	0.00
€300,000 EDP - Energias de Portugal 1.625% 15/04/2027	245	0.53	
Sweden	638	1.37	0.97
Below investment grade corporate bonds	638	1.37	0.97
€279,000 Swedbank Var. Rate 0.3% 20/05/2027	217	0.47	
€272,000 Volvo Car 2.5% 07/10/2027	214	0.46	
€249,000 Volvo Car 4.25% 31/05/2028	207	0.44	
United States	5,935	12.77	20.90
Government bonds	0	0.00	10.54
Investment grade corporate bonds	4,622	9.94	8.67
€113,000 Apple 0% 15/11/2025	92	0.20	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)			
United States (continued)			
Investment grade corporate bonds (continued)			
US\$295,000 Apple 3% 20/06/2027	228	0.49	
£1,189,000 Inter-American Development Bank 1.375% 15/12/2024	1,126	2.42	
US\$2,160,000 Inter-American Development Bank 4.375% 24/01/2044	1,778	3.82	
IDR4,310,000,000 Inter-American Development Bank 5.1% 17/11/2026	229	0.49	
BRL1,510,000 International Bank for Reconstruction & Development 0% 30/01/2024	223	0.48	
MXN12,180,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	471	1.01	
BRL1,690,000 International Bank for Reconstruction & Development 5% 22/01/2026	240	0.52	
US\$373,000 Prologis 1.25% 15/10/2030	235	0.51	
Below investment grade corporate bonds	1,313	2.83	1.69
US\$135,000 Ball 2.875% 15/08/2030	90	0.20	
US\$183,000 Ball 3.125% 15/09/2031	121	0.26	
US\$213,000 Boston Properties 2.55% 01/04/2032	127	0.27	
US\$317,000 Boston Properties 4.5% 01/12/2028	230	0.50	
US\$218,000 DaVita 3.75% 15/02/2031	140	0.30	
US\$135,000 DaVita 4.625% 01/06/2030	93	0.20	
US\$174,000 HCA 5% 15/03/2024	139	0.30	
US\$194,000 Xylem 1.95% 30/01/2028	139	0.30	
US\$346,000 Xylem 2.25% 30/01/2031	234	0.50	
Chile	1,148	2.47	2.11
Government bonds	1,148	2.47	2.11
CLP730,000,000 Chile (Republic of) 5% 01/10/2028	702	1.51	
€775,000 Chile (Republic of) 1.25% 29/01/2040	446	0.96	
Colombia	455	0.98	0.81
Government bonds	455	0.98	0.81
COP3,442,100,000 Colombia (Republic of) 7% 26/03/2031	455	0.98	
Mexico	0	0.00	0.61
Government bonds	0	0.00	0.61

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)			
Peru	0	0.00	0.59
Government bonds	0	0.00	0.59
South Africa	0	0.00	0.49
Government bonds	0	0.00	0.49
Cayman Islands	0	0.00	0.45
Investment grade corporate bonds	0	0.00	0.45
Debt derivatives	165	0.36	0.00
Interest rate futures	165	0.36	
44 US Ultra Bond Cbt Jun 2023	165	0.36	
Currency	57	0.12	0.08
Forward currency contracts	57	0.12	0.08
AU\$(775,039) Sold for £412,279 (expires 31.07.23)	2	0.00	
CA\$(308,585) Sold for £181,866 (expires 31.07.23)	0	0.00	
DKK(7,337,853) Sold for £874,982 (expires 31.07.23)	4	0.01	
€(9,380,762) Sold for £8,329,554 (expires 31.07.23)	36	0.08	
HK\$(6,671,445) Sold for £684,448 (expires 31.07.23)	1	0.00	
US\$1,078,964 Bought for TWD32,581,476 (expires 10.07.23)	9	0.02	
US\$(13,370,024) Sold for £10,713,590 (expires 31.07.23)	5	0.01	
Total portfolio	45,430	97.73	95.82
Net other assets/(liabilities)	1,056	2.27	4.18
Net assets attributable to shareholders	46,486	100.00	100.00

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

^a Suspended.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the six months to 30 April 2023

Largest purchases	£'000
UK Treasury 0% 15/05/2023	4,543
UK Treasury 0% 24/07/2023	3,856
UK Treasury 0% 10/07/2023	2,920
UK Treasury 0% 04/09/2023	2,130
Inter-American Development Bank 1.375% 15/12/2024	1,134
European Investment Bank 0% 18/10/2032	510
International Bank for Reconstruction & Development 4.25% 22/01/2026	458
UK Treasury 1.5% 31/07/2053	323
Renewables Infrastructure	306
American Express	271
Other purchases	7,289
Total purchases	23,740

Largest sales	£'000
US Treasury 3% 15/02/2048	3,898
UK Treasury 0% 30/01/2023	3,668
UK Treasury 0% 15/05/2023	3,453
UK Treasury 0% 06/02/2023	2,919
International Bank for Reconstruction & Development 0.5% 24/07/2023	939
US Treasury 3% 15/08/2052	559
Mexico (United Mexican States) 8.5% 18/11/2038	270
South Africa (Republic of) 6.25% 31/03/2036	247
Peru (Republic of) 6.95% 12/08/2031	241
Truist Financial	237
Other sales	2,491
Total sales	18,922

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+5.6	n/a	n/a	n/a
Class 'A' Accumulation	+5.6	n/a	n/a	n/a
Class 'I' Income	+5.8	n/a	n/a	n/a
Class 'I' Accumulation	+5.8	n/a	n/a	n/a
Class 'L' Accumulation	+5.9	n/a	n/a	n/a
Class 'PP' Income	+5.8	n/a	n/a	n/a
Class 'PP' Accumulation	+5.8	n/a	n/a	n/a
Class 'R' Income	+5.7	n/a	n/a	n/a
Class 'R' Accumulation	+5.7	n/a	n/a	n/a
Benchmark	+4.7	n/a	n/a	n/a

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	89.09	104.24	100.00
Return before operating charges	5.61	(11.58)	6.97
Operating charges	(0.56)	(1.14)	(0.97)
Return after operating charges	5.05	(12.72)	6.00
Distributions	(1.31)	(2.43)	(1.76)
Closing NAV	92.83	89.09	104.24
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.07
Dilution adjustments	0.00	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	1.13	1.14	1.05
Return after charges	+5.67	-12.20	+6.00
Other information			
Closing NAV (£'000)	1,124	1,027	1,232
Number of shares	1,210,632	1,152,916	1,181,490
Highest share price (UK p)	95.99	106.89	106.35
Lowest share price (UK p)	89.19	87.65	98.58

Sterling Class 'A' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	92.95	106.03	100.00
Return before operating charges	5.84	(11.93)	7.00
Operating charges	(0.58)	(1.15)	(0.97)
Return after operating charges	5.26	(13.08)	6.03
Distributions	(0.87)	(1.42)	(0.84)
Retained distributions	0.87	1.42	0.84
Closing NAV	98.21	92.95	106.03
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.00	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	1.13	1.14	1.05
Return after charges	+5.66	-12.34	+6.03
Other information			
Closing NAV (£'000)	1,002	865	100
Number of shares	1,020,797	930,091	94,122
Highest share price (UK p)	100.75	108.72	107.63
Lowest share price (UK p)	93.05	90.83	98.75

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	89.76	104.58	100.00
Return before operating charges	5.61	(11.71)	6.90
Operating charges	(0.38)	(0.75)	(0.59)
Return after operating charges	5.23	(12.46)	6.31
Distributions	(1.28)	(2.36)	(1.73)
Closing NAV	93.71	89.76	104.58
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.07
Dilution adjustments	0.00	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.73	0.74	0.65
Return after charges	+5.83	-11.91	+6.31
Other information			
Closing NAV (£'000)	224	194	163
Number of shares	238,599	216,229	155,875
Highest share price (UK p)	96.81	107.24	106.64
Lowest share price (UK p)	89.85	88.27	98.66

Sterling Class 'I' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	93.52	106.35	100.00
Return before operating charges	5.85	(12.07)	6.95
Operating charges	(0.40)	(0.76)	(0.60)
Return after operating charges	5.45	(12.83)	6.35
Distributions	(1.03)	(1.75)	(1.14)
Retained distributions	1.03	1.75	1.14
Closing NAV	98.97	93.52	106.35
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.00	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.73	0.74	0.65
Return after charges	+5.83	-12.06	+6.35
Other information			
Closing NAV (£'000)	2,413	1,912	1,197
Number of shares	2,437,945	2,044,978	1,125,782
Highest share price (UK p)	101.45	109.05	107.89
Lowest share price (UK p)	93.62	91.38	98.82

Financial highlights

Sterling Class 'L' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	93.80	106.49	100.00
Return before operating charges	5.84	(12.12)	6.91
Operating charges	(0.30)	(0.57)	(0.42)
Return after operating charges	5.54	(12.69)	6.49
Distributions	(1.11)	(1.93)	(1.29)
Retained distributions	1.11	1.93	1.29
Closing NAV	99.34	93.80	106.49
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.00	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.53	0.54	0.45
Return after charges	+5.91	-11.92	+6.49
Other information			
Closing NAV (£'000)	13,922	13,146	14,931
Number of shares	14,015,040	14,015,040	14,020,040
Highest share price (UK p)	101.80	109.21	108.01
Lowest share price (UK p)	93.91	91.65	98.86

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	89.93	104.67	100.00
Return before operating charges	5.62	(11.76)	6.89
Operating charges	(0.33)	(0.64)	(0.51)
Return after operating charges	5.29	(12.40)	6.38
Distributions	(1.28)	(2.34)	(1.71)
Closing NAV	93.94	89.93	104.67
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.00	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.63	0.64	0.55
Return after charges	+5.88	-11.85	+6.38
Other information			
Closing NAV (£'000)	188	181	21
Number of shares	200,091	201,198	20,060
Highest share price (UK p)	97.03	107.34	106.71
Lowest share price (UK p)	90.03	88.44	98.68

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	93.67	106.43	100.00
Return before operating charges	5.84	(12.10)	6.92
Operating charges	(0.35)	(0.66)	(0.49)
Return after operating charges	5.49	(12.76)	6.43
Distributions	(1.07)	(1.83)	(1.21)
Retained distributions	1.07	1.83	1.21
Closing NAV	99.16	93.67	106.43
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.00	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.63	0.64	0.55
Return after charges	+5.86	-11.99	+6.43
Other information			
Closing NAV (£'000)	26,130	22,161	3,534
Number of shares	26,351,352	23,658,650	3,320,741
Highest share price (UK p)	101.63	109.13	107.95
Lowest share price (UK p)	93.77	91.51	98.84

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	89.33	104.35	100.00
Return before operating charges	5.61	(11.63)	6.94
Operating charges	(0.49)	(0.99)	(0.83)
Return after operating charges	5.12	(12.62)	6.11
Distributions	(1.30)	(2.40)	(1.76)
Closing NAV	93.15	89.33	104.35
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.07
Dilution adjustments	0.00	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.98	0.99	0.90
Return after charges	+5.73	-12.09	+6.11
Other information			
Closing NAV (£'000)	195	201	189
Number of shares	209,153	225,031	181,160
Highest share price (UK p)	96.29	107.01	106.45
Lowest share price (UK p)	89.42	87.88	98.61

Sterling Class 'R' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	93.16	106.14	100.00
Return before operating charges	5.84	(11.96)	6.97
Operating charges	(0.51)	(1.02)	(0.83)
Return after operating charges	5.33	(12.98)	6.14
Distributions	(0.93)	(1.55)	(0.95)
Retained distributions	0.93	1.55	0.95
Closing NAV	98.49	93.16	106.14
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.00	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.98	0.99	0.90
Return after charges	+5.72	-12.23	+6.14
Other information			
Closing NAV (£'000)	1,288	1,096	958
Number of shares	1,307,467	1,176,112	903,007
Highest share price (UK p)	101.01	108.84	107.73
Lowest share price (UK p)	93.26	91.03	98.77

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		1,943		(2,052)
Revenue	694		323	
Expenses	(122)		(81)	
Interest payable and similar charges	(1)		0	
Net revenue/(expense) before taxation	571		242	
Taxation	(85)		(31)	
Net revenue/(expense) after taxation		486		211
Total return before distributions		2,429		(1,841)
Distributions		(494)		(215)
Change in net assets attributable to shareholders from investment activities		1,935		(2,056)

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		40,783		22,325
Amounts received on issue of shares	3,611		14,881	
Amounts paid on cancellation of shares	(330)		(241)	
		3,281		14,640
Dilution adjustments		7		27
Change in net assets attributable to shareholders from investment activities (see above)		1,935		(2,056)
Retained distributions on Accumulation shares		480		225
Closing net assets attributable to shareholders		46,486		35,161

The opening net assets attributable to shareholders for 2023 differs to the closing position in 2022 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2023 £'000	31 October 2022 £'000
Assets		
Fixed assets		
Investments	45,430	39,120
Current assets		
Debtors	176	944
Cash and bank balances	1,054	1,491
Total assets	46,660	41,555
Liabilities		
Investment liabilities	0	(40)
Creditors		
Bank overdrafts	(44)	0
Distribution payable	(14)	(11)
Other creditors	(116)	(721)
Total liabilities	(174)	(772)
Net assets attributable to shareholders	46,486	40,783

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 16 March 2023 has been used.

Investment objective

The fund has two aims:

- To limit the average volatility to 9% per annum over any five-year period while providing a total return (the combination of capital growth and income) over that period; and
- To invest in assets which meet the fund's preferred ESG standards and/or those that provide a positive societal impact through addressing the world's major social and environmental challenges.

Investment policy

The fund invests globally across a range of asset classes, including equities and equity-related securities, fixed income securities, cash and near cash. Exposure to these assets is typically gained directly, but may also be gained indirectly, via funds (including funds managed by M&G) or derivatives. The fund may also invest to a limited extent indirectly in other asset classes such as property and gold.

Typically, the fund holds 0-35% of its net asset value in equities and equity-related securities, but there is no obligation on the fund manager to hold a particular level of equity exposure.

The fund aims to exclude securities issued by:

- Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption;
- Companies involved in the production of tobacco, alcohol, adult entertainment, controversial weapons, thermal coal, or the provision of gambling services;

- Companies that derive more than 10% of their revenue from the distribution of tobacco, unconventional oil and gas extraction, and the production or distribution of other weapons;
- Conventional oil and gas extraction companies that derive less than 40% of their revenue from activities related to natural gas extraction or renewable energy sources; and
- Electricity utilities companies that derive more than 10% of their power production from coal, more than 30% from oil and gas, or nuclear fuel sources. However, the fund may hold companies that have a clear business model of accelerating the transition to low-carbon power production, up to a maximum total limit of 5% of the fund's net asset value.

Where the fund invests directly, these investments are required to meet the fund's ESG criteria or impact criteria:

- The ESG criteria are designed to consider key ESG risks and identify companies and governments which meet preferred standards of ESG behaviour.
- The impact criteria are designed to identify investments that have a positive societal impact. Typically, the fund holds 20%-50% of its net asset value in positive impact assets. It always holds at least 20% of its net asset value in positive impact assets and there is no cap on the level of positive impact exposure.

Further information on M&G's approach to ESG standards and exclusions and impact criteria can be found on our website:

[mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf](https://www.mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf)

Indirect investments are not subject to the same ESG and/or impact restrictions as securities held directly. The fund manager will assess the suitability of such investments relative to the fund's non-financial objective. For further details please see our website.

Authorised Corporate Director's Report

The only investments that are not subject to assessment relative to the fund's non-financial objective are: the use of derivatives to take advantage of short-term market movements and to hedge currency exposures, and cash.

The currency exposure of the fund will be actively managed, seeking to enhance returns, with a minimum of 70% of the fund exposed to sterling.

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

Investment approach

The fund's approach to sustainable investment is to invest in securities issued by companies or governments that uphold high standards of ESG behaviour, as assessed using the fund's ESG criteria. In addition, the fund maintains a core holding of assets that have a positive societal impact, as assessed using the fund's impact criteria. As part of the investment process, the fund manager considers the long-term sustainability of assets, including carbon intensity and climate adaptability.

The fund manager's assessment of ESG criteria and impact criteria relies upon the use of third-party ESG information and/or proprietary analysis. Further information on M&G's approach to ESG standards and exclusions and impact criteria can be found on our website.

Volatility is managed by using research to estimate the variation in value and risk of different types of assets. The fund seeks to manage volatility and risk through flexible asset allocation, by investing globally across multiple asset classes, sectors, currencies and countries, in response to changes in economic conditions and asset values. This approach combines research to work out the anticipated value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities.

The fund's volatility management objective may limit potential gains as well as losses.

Benchmark

Benchmark: IA Mixed Investment 0-35% Shares Sector.

The benchmark is a comparator for the fund's financial objective against which the fund's financial performance can be measured. The sector has been chosen as the fund's benchmark as it reflects the financial aspects of the fund's investment policy. The comparator benchmark does not constrain the fund's portfolio construction.

The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund within the constraints set by the fund's objective and investment policy.

An annual ESG and positive impact review to provide an assessment of the non-financial objective of the fund will be made available on our website.

Risk profile

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

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the six months ended 30 April 2023

Volatility against objective

It is not yet possible to measure the fund's volatility against its five-year objective, which is to limit the average volatility to 9% per annum over any five-year period while providing a total return (the combination of capital growth and income) over that period, because the fund only launched on 8 December 2020. Volatility over a shorter period is not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's investment objective. We have a framework in place to monitor volatility on an ex-ante basis whilst the fund builds up enough history. Currently, the fund's volatility remains below its ceiling and has not exceeded it.

We have a framework in place to monitor volatility on an ex-ante basis whilst the fund builds up enough history. The fund's volatility remains below its ceiling and has not exceeded it.

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	9.0	8.6

Performance against objective

The M&G Sustainable Multi Asset Cautious Fund delivered positive total returns (the combination of income and growth of capital) across all share classes in the six months to 30 April 2023. All classes outperformed a 3.8% gain for the fund's benchmark, the IA Mixed Investment 0-35% Shares sector.

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

Performance review

Global stocks and bonds gained in the period, even if sell-offs made for a bumpy ride. Inflation expectations were a key driver as signs that price rises were cooling from sky-high levels sparked optimism about a potential end to US interest-rate increases. By contrast, strong

economic data reignited interest rate fears. The Federal Reserve raised rates four times in the period.

Markets generally rallied in late 2022 amid waning inflation expectations and China's easing of COVID restrictions. There were also strong gains for global equities and government bonds in January. February was a down month because of renewed concerns about inflation and interest rates.

March saw gains even amid a mini-banking crisis. Global shares rallied as macroeconomic optimism outweighed a slump in bank stocks following the collapse of Silicon Valley Bank, among others, and the forced sale of Credit Suisse. Government bonds surged amid a flight to safety. April also recorded gains as regulators contained the fallout from bank failures, including orchestrating the sale of First Republic to JP Morgan.

The fund made profits across all classes of holdings in the review period. Equities made a notable contribution. European bank shares contributed positively as rising interest rates bolstered earnings expectations. Stocks in Germany, the UK and Asia ex-Japan were among other beneficial holdings.

Bond holdings generated profits, particularly US Treasuries, emerging market government debt and euro-denominated corporate bonds.

Drags on performance included non-technology shares in the US, particularly financial stocks amid the nation's regional bank upheavals. Short-term US Treasury futures were also a negative contributor to performance.

The fund's assets had an average MSCI ESG rating of 7.13 at the end of April, which equates to an AA grade. About 46% of investments were classed as positive impact holdings, an increase of over seven percentage points since the end of October.

Investment activities

The fund increased exposure to corporate bonds in the period via supranational debt and European lenders' green bonds. The November bank purchases reflected our view that markets were being overly pessimistic

Authorised Corporate Director's Report

about the sector. The fund's exposure to high yield debt and equities slipped in the period.

Supranational debt became the fund's largest exposure at the end of April, ahead of US government debt and US equities. There were notable increases for French fixed-rate bonds and UK government debt. Exposures to US government bonds and emerging market government debt were both trimmed. Within equities, we reduced exposure to Europe and North America.

We remain relatively cautiously positioned and maintain elevated cash levels, which can be quickly deployed as opportunities arise.

Outlook

Investors are seemingly becoming more comfortable with economic developments. There are also signs that the US Federal Reserve's string of interest rate increases is starting to cool the red-hot US jobs market. This may suggest that the Fed is nearing the end of its tightening cycle.

Still, there is a chance that investor comfort is really complacency. That would likely leave markets open to shocks from relatively small surprises in economic data, for instance. This is one reason why we expect further market volatility and potentially interesting entry points.

In equities, valuations seem high to us and they appear to be based on relatively benign economic expectations. That's against a backdrop of slowing earnings and a lingering banking crisis in the US. We therefore remain selective in our exposure and prefer markets with cheaper valuations and/or more conservative earnings expectations, such as Europe, Japan and Asia.

In fixed income, we continue to see opportunities across the sector for enhanced return and diversification – as demonstrated by the renewed de-correlation seen across asset classes in recent weeks.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities	8,029	27.13	28.60
United Kingdom	1,469	4.96	5.22
UK equities	1,469	4.96	5.22
3,574 Bank of Georgia	108	0.37	
24,983 DS Smith	77	0.26	
281,211 Greencoat UK Wind	442	1.49	
463,146 Home REIT ^a	176	0.59	
20,939 Legal & General	49	0.17	
59,220 Marks & Spencer	96	0.32	
413,426 Octopus Renewables Infrastructure Trust	415	1.40	
5,965 Segro REIT	49	0.17	
6,223 WPP	57	0.19	
Belgium	61	0.21	0.20
Belgian equities	61	0.21	0.20
1,078 KBC	61	0.21	
Denmark	303	1.02	0.96
Danish equities	303	1.02	0.96
3,433 ALK-Abelló	35	0.12	
829 Novo Nordisk	111	0.37	
1,112 Ørsted	79	0.27	
406 Rockwool	78	0.26	
France	429	1.45	1.46
French equities	429	1.45	1.46
965 BNP Paribas	49	0.17	
510 Capgemini	74	0.25	
5,899 Crédit Agricole	57	0.19	
1,418 Danone	74	0.25	
140 Kering	71	0.24	
758 Schneider Electric	104	0.35	
Germany	264	0.89	0.82
German equities	264	0.89	0.82
231 Allianz	46	0.15	
813 Bayerische Motoren Werke	71	0.24	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Germany (continued)			
German equities (continued)			
1,915 Fresenius Medical Care	73	0.25	
684 SAP	74	0.25	
Guernsey	446	1.51	1.01
Guernsey equities	446	1.51	1.01
348,737 Renewables Infrastructure	446	1.51	
Ireland	422	1.43	1.47
Irish equities	422	1.43	1.47
446,682 Greencoat Renewables ^b	422	1.43	
Italy	118	0.40	0.41
Italian equities	118	0.40	0.41
2,868 Assicurazioni Generali	47	0.16	
10,309 Terna	71	0.24	
Netherlands	63	0.21	0.23
Dutch equities	63	0.21	0.23
6,482 ING	63	0.21	
Spain	291	0.98	1.02
Spanish equities	291	0.98	1.02
1,306 Amadeus IT	72	0.24	
9,354 Banco Bilbao Vizcaya Argentaria	55	0.19	
11,020 Grifols	89	0.30	
20,655 Telefónica	75	0.25	
United States	2,371	8.01	9.39
US equities	2,371	8.01	9.39
923 Agilent Technologies	98	0.33	
1,055 Alphabet	91	0.31	
601 American Express	76	0.26	
1,841 AMERISAFE	81	0.27	
285 Ansys	72	0.24	
487 Apple	65	0.22	
2,456 Ball	103	0.35	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
United States (continued)			
US equities (continued)			
3,240 Bank of New York Mellon	109	0.37	
158 BlackRock	84	0.28	
1,504 Bright Horizons Family Solutions	90	0.30	
1,014 CBRE	62	0.21	
3,822 Hannon Armstrong Sustainable Infrastructure Capital REIT	85	0.29	
421 Illumina	69	0.23	
2,528 Intel	64	0.22	
1,942 Johnson Controls International	92	0.31	
891 Kellogg	49	0.16	
171 Lam Research	71	0.24	
357 Microsoft	87	0.29	
640 NVIDIA	139	0.47	
1,532 ON Semiconductor	85	0.29	
493 PNC Financial Services	50	0.17	
411 Procter & Gamble	52	0.18	
663 Quest Diagnostics	74	0.25	
694 Republic Services	77	0.26	
427 SolarEdge Technologies	97	0.33	
455 Texas Instruments	60	0.20	
149 Thermo Fisher Scientific	65	0.22	
216 UnitedHealth	85	0.29	
307 Visa	56	0.19	
1,003 Xylem	83	0.28	
Canada	80	0.27	0.36
Canadian equities	80	0.27	0.36
3,476 Boralex	80	0.27	
Brazil	170	0.57	0.70
Brazilian equities	170	0.57	0.70
54,221 AES Brasil Energia	92	0.31	
244,501 Cogna Educação	78	0.26	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Japan	635	2.15	1.92
Japanese equities	635	2.15	1.92
2,600 Dai-ichi Life	39	0.13	
3,900 Daiwa House Industry	79	0.27	
600 Hitachi	27	0.09	
2,000 Horiba	88	0.30	
5,800 Katitas	90	0.31	
1,300 Murata Manufacturing	60	0.20	
12,000 Obayashi	80	0.27	
9,500 Panasonic	71	0.24	
600 Sony	45	0.15	
2,100 Takeda Pharmaceutical	56	0.19	
Australia	169	0.57	0.61
Australian equities	169	0.57	0.61
11,155 Brambles	84	0.28	
656 Cochlear	85	0.29	
Hong Kong	259	0.88	0.86
Hong Kong equities	259	0.88	0.86
12,800 AIA	111	0.38	
90,000 Lenovo	73	0.25	
34,800 Swire Properties	75	0.25	
India	99	0.33	0.40
Indian equities	99	0.33	0.40
1,771 HDFC Bank ADR	99	0.33	
South Korea	67	0.23	0.47
South Korean equities	67	0.23	0.47
1,704 Samsung Electronics	67	0.23	
Taiwan	249	0.84	0.88
Taiwanese equities	249	0.84	0.88
19,000 ASE Technology	50	0.17	
62,733 Cathay Financial	69	0.23	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Taiwan (continued)			
Taiwanese equities (continued)			
79,436 E.Sun Financial	52	0.18	
6,000 Taiwan Semiconductor Manufacturing	78	0.26	
South Africa	64	0.22	0.21
South African equities	64	0.22	0.21
26,414 Sanlam	64	0.22	
Fixed income	20,179	67.67	67.35
United Kingdom			
Government bonds			
£2,841,179 UK Treasury 0% 15/05/2023	2,837	9.59	
£1,609,000 UK Treasury 0% 10/07/2023	1,596	5.39	
£2,719,847 UK Treasury 0% 24/07/2023	2,692	9.10	
£909,075 UK Treasury 0% 04/09/2023	895	3.02	
£668,257 UK Treasury 1.5% 31/07/2053	371	1.25	
Investment grade corporate bonds	174	0.59	0.49
IDR3,450,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	174	0.59	
Below investment grade corporate bonds			
€248,000 Vodafone 0.9% 24/11/2026	203	0.69	
Belgium			
Below investment grade corporate bonds			
€200,000 KBC Var. Rate 0.25% 01/03/2027	159	0.54	
France			
Investment grade corporate bonds			
Below investment grade corporate bonds			
US\$302,000 EDF 3.625% 13/10/2025	237	0.80	
€203,000 Renault 1% 28/11/2025	166	0.56	
€200,000 Société Générale Var. Rate 0.875% 22/09/2028	151	0.51	
€137,000 Unibail-Rodamco-Westfield 1% 14/03/2025	113	0.38	
€242,000 Unibail-Rodamco-Westfield 2.5% 26/02/2024	211	0.72	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)			
Germany	491	1.66	1.48
Investment grade corporate bonds	344	1.16	1.48
€310,000 Mercedes-Benz 0.75% 10/09/2030	228	0.77	
€168,000 Mercedes-Benz 0.75% 11/03/2033	116	0.39	
Below investment grade corporate bonds	147	0.50	0.00
€200,000 ZF Finance 2.25% 03/05/2028	147	0.50	
Italy	193	0.65	0.78
Investment grade corporate bonds	0	0.00	0.78
Below investment grade corporate bonds	193	0.65	0.00
€218,000 Intesa Sanpaolo 4.75% 06/09/2027	193	0.65	
Luxembourg	1,659	5.60	4.47
Investment grade corporate bonds	1,659	5.60	4.47
ZAR19,080,000 European Investment Bank 0% 18/10/2032	331	1.12	
£1,408,000 European Investment Bank 0.75% 15/11/2024	1,328	4.48	
Netherlands	352	1.19	0.77
Investment grade corporate bonds	0	0.00	0.77
Below investment grade corporate bonds	352	1.19	0.00
€241,000 EDP Finance 0.375% 16/09/2026	191	0.65	
€200,000 ING 2.5% 15/11/2030	161	0.54	
Portugal	245	0.83	0.66
Investment grade corporate bonds	0	0.00	0.66
Below investment grade corporate bonds	245	0.83	0.00
€300,000 EDP - Energias de Portugal 1.625% 15/04/2027	245	0.83	
Sweden	545	1.84	1.56
Below investment grade corporate bonds	545	1.84	1.56
€196,000 Swedbank Var. Rate 0.3% 20/05/2027	152	0.51	
€255,000 Volvo Car 2.5% 07/10/2027	201	0.68	
€231,000 Volvo Car 4.25% 31/05/2028	192	0.65	
United States	5,385	18.20	31.82
Government bonds	0	0.00	15.84
Investment grade corporate bonds	4,046	13.67	12.54
€100,000 Apple 0% 15/11/2025	82	0.28	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)			
United States (continued)			
Investment grade corporate bonds (continued)			
US\$284,000 Apple 3% 20/06/2027	220	0.74	
£1,074,000 Inter-American Development Bank 1.375% 15/12/2024	1,017	3.44	
US\$1,919,000 Inter-American Development Bank 4.375% 24/01/2044	1,579	5.33	
IDR3,110,000,000 Inter-American Development Bank 5.1% 17/11/2026	165	0.56	
BRL1,380,000 International Bank for Reconstruction & Development 0% 30/01/2024	203	0.69	
MXN9,160,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	355	1.20	
BRL1,320,000 International Bank for Reconstruction & Development 5% 22/01/2026	188	0.63	
US\$376,000 Prologis 1.25% 15/10/2030	237	0.80	
Below investment grade corporate bonds	1,339	4.53	3.44
US\$81,000 Ball 2.875% 15/08/2030	54	0.18	
US\$258,000 Ball 3.125% 15/09/2031	171	0.58	
US\$171,000 Boston Properties 2.55% 01/04/2032	102	0.35	
US\$319,000 Boston Properties 4.5% 01/12/2028	232	0.78	
US\$275,000 DaVita 3.75% 15/02/2031	176	0.60	
US\$123,000 DaVita 4.625% 01/06/2030	84	0.28	
US\$220,000 HCA 5% 15/03/2024	175	0.59	
US\$152,000 Xylem 1.95% 30/01/2028	109	0.37	
US\$349,000 Xylem 2.25% 30/01/2031	236	0.80	
Chile	950	3.21	3.44
Government bonds	950	3.21	3.44
CLP515,000,000 Chile (Republic of) 5% 01/10/2028	495	1.67	
€790,000 Chile (Republic of) 1.25% 29/01/2040	455	1.54	
Colombia	401	1.35	1.20
Government bonds	401	1.35	1.20
COP3,034,200,000 Colombia (Republic of) 7% 26/03/2031	401	1.35	
Mexico	0	0.00	0.87
Government bonds	0	0.00	0.87

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)			
Peru	0	0.00	0.85
Government bonds	0	0.00	0.85
South Africa	0	0.00	0.71
Government bonds	0	0.00	0.71
Cayman Islands	0	0.00	0.73
Investment grade corporate bonds	0	0.00	0.73
Debt derivatives	153	0.52	0.00
Interest rate futures	153	0.52	0.00
40 US Ultra Bond Cbt Jun 2023	153	0.52	
Fixed income portfolios	443	1.49	0.00
Other	443	1.49	
110,288 iShares EUR Corporate Bond ESG ETF	443	1.49	
Currency	31	0.11	0.02
Forward currency contracts	31	0.11	0.02
AU\$(270,129) Sold for £143,694 (expires 31.07.23)	1	0.01	
CA\$(72,635) Sold for £42,808 (expires 31.07.23)	0	0.00	
DKK(2,291,053) Sold for £273,190 (expires 31.07.23)	1	0.00	
€(6,239,916) Sold for £5,540,671 (expires 31.07.23)	24	0.08	
HK\$(2,338,804) Sold for £239,947 (expires 31.07.23)	0	0.00	
US\$294,668 Bought for TWD8,898,092 (expires 10.07.23)	2	0.01	
US\$(7,149,561) Sold for £5,729,044 (expires 31.07.23)	3	0.01	
Total portfolio	28,682	96.92	95.97
Net other assets/(liabilities)	912	3.08	4.03
Net assets attributable to shareholders	29,594	100.00	100.00

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

^a Suspended.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the six months to 30 April 2023

Largest purchases	£'000
UK Treasury 0% 15/05/2023	3,993
UK Treasury 0% 24/07/2023	2,669
UK Treasury 0% 10/07/2023	1,581
Inter-American Development Bank 1.375% 15/12/2024	1,024
UK Treasury 0% 04/09/2023	892
iShares EUR Corporate Bond ESG ETF	443
European Investment Bank 0% 18/10/2032	378
International Bank for Reconstruction & Development 4.25% 22/01/2026	345
Inter-American Development Bank 4.375% 24/01/2044	333
European Investment Bank 0.75% 15/11/2024	265
Other purchases	4,965
Total purchases	16,888

Largest sales	£'000
US Treasury 3% 15/02/2048	3,798
UK Treasury 0% 30/01/2023	2,013
UK Treasury 0% 06/02/2023	1,581
UK Treasury 0% 15/05/2023	1,190
International Bank for Reconstruction & Development 0.5% 24/07/2023	752
South Africa (Republic of) 6.25% 31/03/2036	242
Mexico (United Mexican States) 8.5% 18/11/2038	226
Peru (Republic of) 6.95% 12/08/2031	202
Kreditanstalt fuer Wiederaufbau 0.875% 15/09/2026	193
Apple 2.85% 23/02/2023	178
Other sales	1,380
Total sales	11,755

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+4.9	n/a	n/a	n/a
Class 'A' Accumulation	+4.9	n/a	n/a	n/a
Class 'I' Income	+5.0	n/a	n/a	n/a
Class 'I' Accumulation	+5.0	n/a	n/a	n/a
Class 'L' Accumulation	+5.1	n/a	n/a	n/a
Class 'PP' Income	+5.1	n/a	n/a	n/a
Class 'PP' Accumulation	+5.1	n/a	n/a	n/a
Class 'R' Income	+4.9	n/a	n/a	n/a
Class 'R' Accumulation	+4.9	n/a	n/a	n/a
Benchmark	+3.8	n/a	n/a	n/a

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	83.78	98.94	100.00
Return before operating charges	4.66	(11.90)	1.54
Operating charges	(0.52)	(1.07)	(0.93)
Return after operating charges	4.14	(12.97)	0.61
Distributions	(1.28)	(2.19)	(1.67)
Closing NAV	86.64	83.78	98.94
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.04
Dilution adjustments	(0.01)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	1.12	1.13	1.05
Return after charges	+4.94	-13.11	+0.61
Other information			
Closing NAV (£'000)	276	298	345
Number of shares	319,093	355,602	348,300
Highest share price (UK p)	89.38	101.44	101.56
Lowest share price (UK p)	83.98	82.95	95.73

Sterling Class 'A' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	87.28	100.61	100.00
Return before operating charges	4.84	(12.25)	1.55
Operating charges	(0.54)	(1.08)	(0.94)
Return after operating charges	4.30	(13.33)	0.61
Distributions	(0.87)	(1.23)	(0.74)
Retained distributions	0.87	1.23	0.74
Closing NAV	91.58	87.28	100.61
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.04
Dilution adjustments	(0.01)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	1.12	1.13	1.05
Return after charges	+4.93	-13.25	+0.61
Other information			
Closing NAV (£'000)	300	237	46
Number of shares	327,986	271,812	45,695
Highest share price (UK p)	93.70	103.16	102.76
Lowest share price (UK p)	87.49	85.83	95.90

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	84.42	99.29	100.00
Return before operating charges	4.66	(12.06)	1.47
Operating charges	(0.35)	(0.69)	(0.58)
Return after operating charges	4.31	(12.75)	0.89
Distributions	(1.25)	(2.12)	(1.60)
Closing NAV	87.48	84.42	99.29
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.04
Dilution adjustments	(0.01)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.72	0.73	0.65
Return after charges	+5.11	-12.84	+0.89
Other information			
Closing NAV (£'000)	57	50	20
Number of shares	65,062	58,867	20,030
Highest share price (UK p)	90.16	101.81	101.85
Lowest share price (UK p)	84.63	83.56	95.82

Sterling Class 'I' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	87.81	100.90	100.00
Return before operating charges	4.84	(12.37)	1.48
Operating charges	(0.37)	(0.72)	(0.58)
Return after operating charges	4.47	(13.09)	0.90
Distributions	(1.02)	(1.55)	(1.03)
Retained distributions	1.02	1.55	1.03
Closing NAV	92.28	87.81	100.90
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.04
Dilution adjustments	(0.01)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.72	0.73	0.65
Return after charges	+5.09	-12.97	+0.90
Other information			
Closing NAV (£'000)	536	440	305
Number of shares	580,779	501,153	302,429
Highest share price (UK p)	94.35	103.46	103.00
Lowest share price (UK p)	88.03	86.34	95.99

Financial highlights

Sterling Class 'L' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	88.08	101.05	100.00
Return before operating charges	4.84	(12.44)	1.45
Operating charges	(0.28)	(0.53)	(0.40)
Return after operating charges	4.56	(12.97)	1.05
Distributions	(1.09)	(1.71)	(1.18)
Retained distributions	1.09	1.71	1.18
Closing NAV	92.64	88.08	101.05
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.04
Dilution adjustments	(0.01)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.52	0.53	0.45
Return after charges	+5.18	-12.84	+1.05
Other information			
Closing NAV (£'000)	12,985	12,345	14,168
Number of shares	14,016,040	14,016,040	14,020,040
Highest share price (UK p)	94.68	103.62	103.13
Lowest share price (UK p)	88.30	86.61	96.03

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	84.58	99.38	100.00
Return before operating charges	4.67	(12.09)	1.45
Operating charges	(0.31)	(0.60)	(0.49)
Return after operating charges	4.36	(12.69)	0.96
Distributions	(1.25)	(2.11)	(1.58)
Closing NAV	87.69	84.58	99.38
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.04
Dilution adjustments	(0.01)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.62	0.63	0.55
Return after charges	+5.15	-12.77	+0.96
Other information			
Closing NAV (£'000)	59	57	20
Number of shares	66,848	66,848	20,060
Highest share price (UK p)	90.35	101.91	101.92
Lowest share price (UK p)	84.79	83.71	95.85

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	87.95	100.98	100.00
Return before operating charges	4.84	(12.42)	1.45
Operating charges	(0.32)	(0.61)	(0.47)
Return after operating charges	4.52	(13.03)	0.98
Distributions	(1.06)	(1.63)	(1.10)
Retained distributions	1.06	1.63	1.10
Closing NAV	92.47	87.95	100.98
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.04
Dilution adjustments	(0.01)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.62	0.63	0.55
Return after charges	+5.14	-12.90	+0.98
Other information			
Closing NAV (£'000)	15,106	10,068	1,543
Number of shares	16,335,863	11,447,392	1,527,770
Highest share price (UK p)	94.53	103.54	103.06
Lowest share price (UK p)	88.16	86.47	96.01

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	84.02	99.07	100.00
Return before operating charges	4.65	(11.96)	1.51
Operating charges	(0.45)	(0.93)	(0.79)
Return after operating charges	4.20	(12.89)	0.72
Distributions	(1.27)	(2.16)	(1.65)
Closing NAV	86.95	84.02	99.07
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.04
Dilution adjustments	(0.01)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.97	0.98	0.90
Return after charges	+5.00	-13.01	+0.72
Other information			
Closing NAV (£'000)	77	74	71
Number of shares	88,128	88,128	71,297
Highest share price (UK p)	89.66	101.58	101.66
Lowest share price (UK p)	84.22	83.18	95.76

Sterling Class 'R' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	87.48	100.73	100.00
Return before operating charges	4.85	(12.30)	1.53
Operating charges	(0.48)	(0.95)	(0.80)
Return after operating charges	4.37	(13.25)	0.73
Distributions	(0.92)	(1.35)	(0.86)
Retained distributions	0.92	1.35	0.86
Closing NAV	91.85	87.48	100.73
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.04
Dilution adjustments	(0.01)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.97	0.98	0.90
Return after charges	+5.00	-13.15	+0.73
Other information			
Closing NAV (£'000)	198	168	136
Number of shares	215,787	191,602	135,434
Highest share price (UK p)	93.95	103.28	102.85
Lowest share price (UK p)	87.69	86.02	95.93

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		937		(1,353)
Revenue	448		211	
Expenses	(68)		(47)	
Interest payable and similar charges	(1)		0	
Net revenue/(expense) before taxation	379		164	
Taxation	(63)		(26)	
Net revenue/(expense) after taxation		316		138
Total return before distributions		1,253		(1,215)
Distributions		(318)		(139)
Change in net assets attributable to shareholders from investment activities		935		(1,354)

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		23,736		16,653
Amounts received on issue of shares	4,762		5,353	
Amounts paid on cancellation of shares	(175)		(96)	
		4,587		5,257
Dilution adjustments		11		10
Change in net assets attributable to shareholders from investment activities (see above)		935		(1,354)
Retained distributions on Accumulation shares		325		145
Closing net assets attributable to shareholders		29,594		20,711

The opening net assets attributable to shareholders for 2023 differs to the closing position in 2022 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2023 £'000	31 October 2022 £'000
Assets		
Fixed assets		
Investments	28,682	22,804
Current assets		
Debtors	266	294
Cash and bank balances	758	1,003
Total assets	29,706	24,101
Liabilities		
Investment liabilities	0	(24)
Creditors		
Distribution payable	(4)	(3)
Other creditors	(108)	(338)
Total liabilities	(112)	(365)
Net assets attributable to shareholders	29,594	23,736

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 16 March 2023 has been used.

Investment objective

The fund has two aims:

- To limit the average volatility to 17% per annum over any five-year period while providing a total return (the combination of capital growth and income) over that period; and
- To invest in assets which meet the fund's preferred ESG standards and/or those that provide a positive societal impact through addressing the world's major social and environmental challenges.

Investment policy

The fund invests globally across a range of asset classes, including equities and equity-related securities, fixed income securities, cash and near cash. Exposure to these assets is typically gained directly, but may also be gained indirectly, via funds (including funds managed by M&G) or derivatives. The fund may also invest to a limited extent indirectly in other asset classes such as property and gold.

Typically, the fund holds 55-100% of its net asset value in equities and equity-related securities, but there is no obligation on the fund manager to hold a particular level of equity exposure.

The fund aims to exclude securities issued by:

- Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption;
- Companies involved in the production of tobacco, alcohol, adult entertainment, controversial weapons, thermal coal, or the provision of gambling services;

- Companies that derive more than 10% of their revenue from the distribution of tobacco, unconventional oil and gas extraction, and the production or distribution of other weapons;
- Conventional oil and gas extraction companies that derive less than 40% of their revenue from activities related to natural gas extraction or renewable energy sources; and
- Electricity utilities companies that derive more than 10% of their power production from coal, more than 30% from oil and gas, or nuclear fuel sources. However, the fund may hold companies that have a clear business model of accelerating the transition to low-carbon power production, up to a maximum total limit of 5% of the fund's net asset value.

Where the fund invests directly, these investments meet the fund's ESG criteria or impact criteria:

- The ESG criteria are designed to consider key ESG risks and identify companies and governments which meet preferred standards of ESG behaviour.
- The impact criteria are designed to identify investments that have a positive societal impact. Typically, the fund holds 20%-50% of its net asset value in positive impact assets. It always holds at least 20% of its net asset value in positive impact assets and there is no cap on the level of positive impact exposure.

Further information on M&G's approach to ESG standards and exclusions and impact criteria can be found on our website: mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf

Indirect investments are not subject to the same ESG and/or impact restrictions as securities held directly. The fund manager will assess the suitability of such investments relative to the fund's non-financial objective. For further details please see our website.

The only investments that are not subject to assessment relative to the fund's non-financial objective are: the use of derivatives to take advantage

Authorised Corporate Director's Report

of short-term market movements and to hedge currency exposures, and cash.

The currency exposure of the fund will be actively managed, seeking to enhance returns, with a minimum of 70% of the fund exposed to sterling.

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

Investment approach

The fund's approach to sustainable investment is to invest in securities issued by companies or governments that uphold high standards of ESG behaviour, as assessed using the fund's ESG criteria. In addition, the fund maintains a core holding of assets that have a positive societal impact, as assessed using the fund's impact criteria. As part of the investment process, the fund manager considers the long-term sustainability of assets, including carbon intensity and climate adaptability.

The fund manager's assessment of ESG criteria and impact criteria relies upon the use of third-party ESG information and/or proprietary analysis. Further information on M&G's approach to ESG standards and exclusions and impact criteria can be found on our website.

Volatility is managed by using research to estimate the variation in value and risk of different types of assets. The fund seeks to manage volatility and risk through flexible asset allocation, by investing globally across multiple asset classes, sectors, currencies and countries, in response to changes in economic conditions and asset values. This approach combines research to work out the anticipated value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities.

The fund's volatility management objective may limit potential gains as well as losses.

Benchmark

Benchmark: IA Flexible Investment Sector.

The benchmark is a comparator for the fund's financial objective against which the fund's financial performance can be measured. The sector has been chosen as the fund's benchmark as it reflects the financial aspects of the fund's investment policy. The comparator benchmark does not constrain the fund's portfolio construction.

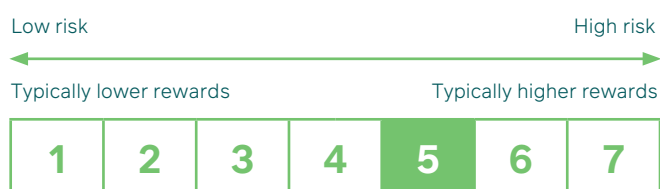
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund within the constraints set by the fund's objective and investment policy.

An annual ESG and positive impact review to provide an assessment of the non-financial objective of the fund will be made available on our website.

Risk profile

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

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the six months ended 30 April 2023

Volatility against objective

It is not yet possible to measure the fund's volatility against its five-year objective, which is to limit the average volatility to 17% per annum over any five-year period while providing a total return (the combination of capital growth and income) over that period, because the fund only launched on 8 December 2020. Volatility over a shorter period is not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's investment objective. We have a framework in place to monitor volatility on an ex-ante basis whilst the fund builds up enough history. Currently, the fund's volatility remains below its ceiling and has not exceeded it.

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	17.0	13.0

Performance against objective

For the six months under review, the fund delivered a positive total return (the combination of income and growth of capital) across all its share classes, finishing ahead of its benchmark, the IA Flexible Investment sector, which returned +4.9%.

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

Performance review

The period under review was volatile for global equity and fixed income (bond) markets, as concerns over inflation, interest rates and growth persisted and the war in Ukraine brought ongoing uncertainty. Markets rose in the fourth quarter of 2022 as inflation in major economies appeared to be nearing a peak, raising hopes that interest rates could soon be reduced. However, the rally proved short-lived and central banks ended the year on a hawkish note.

Towards the end of the period, the collapse of two US regional banks and the UBS rescue of Credit Suisse caused turmoil in the banking sector. However, a swift resolution helped reassure investors. The inflation picture also improved slightly as headline figures began trending lower – notably in the US, where interest rates were expected to stabilise. Progress was slower in the eurozone and in the UK, with core inflation continuing to put pressure on consumers.

Despite the turbulent backdrop, most asset classes delivered positive returns over the period. Equities, which make up around two-thirds of the fund, were the key driver of performance. Exposure to European banks was particularly beneficial (the banking sector typically benefits from high interest rates), while our UK equity holdings also performed well. Our allocation to Asian equities also proved positive.

Within fixed income, government bonds performed well. Euro-denominated corporate bonds contributed positively, as did our Latin American holdings. Positive performance from US corporate bonds was offset by currency weakness, and a European Investment Bank bond in South African rand detracted.

For government bonds, particularly long-dated ones, interest rate worries continued to push yields up and prices down (the two move inversely). UK gilts remained weak (having collapsed following the autumn 'mini-Budget') and contributed negatively, although our exposure was low. US Treasuries and some Latin American government bonds were stronger, and our allocations here were advantageous.

The fund has maintained a diverse range of holdings within its positive impact asset bucket. At the end of the reporting period, 43.3% of the fund was allocated to positive impact investments: those that aim to have a positive impact through actively addressing today's big environmental and social challenges. Meanwhile, the larger positive environmental, social and governance (ESG) tilt portion of the fund has been maintained; these assets ended the period with an average MSCI ESG score of 7.9, which equates to an MSCI ESG rating of AA.

Authorised Corporate Director's Report

Investment activities

We maintain a preference for equities to deliver the fund's growth objectives. While our largest exposure remains to North American equities, we trimmed that and slightly increased our European allocation based on positive performance. In November, we added European banking exposure via positions in various green bonds, where we felt the market's outlook appeared overly pessimistic.

In fixed income, we increased exposure to corporate bonds. Meanwhile, an elevated cash level positions us well to take advantage of short-term opportunities and market volatility.

Outlook

Investors are seemingly becoming more comfortable with economic developments. There are also signs that the US Federal Reserve's string of interest rate increases is starting to cool the red-hot US jobs market. This may suggest that the Fed is nearing the end of its tightening cycle.

Still, there is a chance that investor comfort is really complacency. That would likely leave markets open to shocks from relatively small surprises in economic data, for instance. This is one reason why we expect further market volatility and potentially interesting entry points.

In equities, valuations seem high to us and they appear to be based on relatively benign economic expectations. That's against a backdrop of slowing earnings and a lingering banking crisis in the US. We therefore remain selective in our exposure and prefer markets with cheaper valuations and/or more conservative earnings expectations, such as Europe, Japan and Asia.

In fixed income, we continue to see opportunities across the sector for enhanced return and diversification opportunities – as demonstrated by the renewed de-correlation seen across asset classes in recent weeks.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities	15,807	69.02	69.67
United Kingdom	1,814	7.92	8.11
UK equities	1,814	7.92	8.11
6,703 Bank of Georgia	203	0.89	
64,090 DS Smith	197	0.86	
219,815 Greencoat UK Wind	345	1.51	
397,101 Home REIT ^a	151	0.66	
55,463 Legal & General	129	0.56	
107,300 Marks & Spencer	175	0.76	
349,971 Octopus Renewables Infrastructure Trust	351	1.53	
14,906 Segro REIT	122	0.53	
15,407 WPP	141	0.62	
Belgium	145	0.63	0.54
Belgian equities	145	0.63	0.54
2,561 KBC	145	0.63	
Denmark	698	3.05	2.34
Danish equities	698	3.05	2.34
12,764 ALK-Abelló	129	0.56	
1,566 Novo Nordisk	210	0.92	
2,495 Ørsted	178	0.78	
945 Rockwool	181	0.79	
France	1,044	4.56	4.40
French equities	1,044	4.56	4.40
2,806 BNP Paribas	143	0.62	
1,140 Capgemini	164	0.72	
14,504 Crédit Agricole	140	0.61	
3,693 Danone	194	0.85	
436 Kering	221	0.97	
1,324 Schneider Electric	182	0.79	
Germany	752	3.28	2.74
German equities	752	3.28	2.74
803 Allianz	159	0.69	
2,567 Bayerische Motoren Werke	226	0.99	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Germany (continued)			
German equities (continued)			
3,483 Fresenius Medical Care	133	0.58	
2,160 SAP	234	1.02	
Guernsey	348	1.52	1.22
Guernsey equities	348	1.52	1.22
272,599 Renewables Infrastructure	348	1.52	
Ireland	330	1.44	1.56
Irish equities	330	1.44	1.56
349,587 Greencoat Renewables ^b	330	1.44	
Italy	337	1.47	1.33
Italian equities	337	1.47	1.33
9,966 Assicurazioni Generali	164	0.72	
25,207 Terna	173	0.75	
Netherlands	155	0.68	0.66
Dutch equities	155	0.68	0.66
15,920 ING	155	0.68	
Spain	601	2.62	2.56
Spanish equities	601	2.62	2.56
3,036 Amadeus IT	168	0.73	
24,619 Banco Bilbao Vizcaya Argentaria	144	0.63	
14,194 Grifols	115	0.50	
48,075 Telefónica	174	0.76	
United States	5,563	24.29	27.19
US equities	5,563	24.29	27.19
1,697 Agilent Technologies	181	0.79	
2,620 Alphabet	225	0.98	
1,294 American Express	164	0.72	
4,658 AMERISAFE	206	0.90	
796 Ansys	200	0.87	
1,335 Apple	179	0.78	
4,388 Ball	185	0.81	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
United States (continued)			
US equities (continued)			
5,092 Bank of New York Mellon	171	0.75	
355 BlackRock	188	0.82	
2,741 Bright Horizons Family Solutions	164	0.72	
2,775 CBRE	169	0.74	
7,968 Hannon Armstrong Sustainable Infrastructure Capital REIT	178	0.78	
995 Illumina	162	0.71	
7,922 Intel	199	0.87	
3,433 Johnson Controls International	163	0.71	
3,021 Kellogg	168	0.73	
477 Lam Research	197	0.86	
800 Microsoft	195	0.85	
1,030 NVIDIA	224	0.98	
4,243 ON Semiconductor	236	1.03	
1,194 PNC Financial Services	122	0.53	
1,525 Procter & Gamble	191	0.83	
1,855 Quest Diagnostics	208	0.91	
1,934 Republic Services	213	0.93	
703 SolarEdge Technologies	160	0.70	
1,270 Texas Instruments	168	0.73	
394 Thermo Fisher Scientific	171	0.75	
514 UnitedHealth	202	0.88	
1,072 Visa	196	0.85	
2,146 Xylem	178	0.78	
Canada	198	0.87	1.02
Canadian equities	198	0.87	1.02
8,572 Boralex	198	0.87	
Brazil	368	1.61	2.22
Brazilian equities	368	1.61	2.22
112,921 AES Brasil Energia	191	0.84	
553,106 Cogna Educação	177	0.77	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Japan	1,419	6.20	4.17
Japanese equities	1,419	6.20	4.17
7,600 Dai-ichi Life	113	0.49	
7,200 Daiwa House Industry	146	0.64	
2,600 Hitachi	114	0.50	
4,000 Horiba	176	0.77	
12,600 Katitas	196	0.86	
2,800 Murata Manufacturing	130	0.57	
22,100 Obayashi	147	0.64	
18,800 Panasonic	141	0.62	
1,600 Sony	120	0.52	
5,100 Takeda Pharmaceutical	136	0.59	
Australia	394	1.72	1.82
Australian equities	394	1.72	1.82
24,615 Brambles	185	0.81	
1,599 Cochlear	209	0.91	
Hong Kong	555	2.42	2.11
Hong Kong equities	555	2.42	2.11
23,200 AIA	201	0.88	
192,000 Lenovo	157	0.68	
92,000 Swire Properties	197	0.86	
India	181	0.79	1.18
Indian equities	181	0.79	1.18
3,252 HDFC Bank ADR	181	0.79	
South Korea	154	0.67	1.40
South Korean equities	154	0.67	1.40
3,931 Samsung Electronics	154	0.67	
Taiwan	589	2.57	2.28
Taiwanese equities	589	2.57	2.28
61,000 ASE Technology	160	0.70	
101,672 Cathay Financial	113	0.49	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Equities (continued)			
Taiwan (continued)			
Taiwanese equities (continued)			
245,097 E.Sun Financial	159	0.69	
12,000 Taiwan Semiconductor Manufacturing	157	0.69	
South Africa	162	0.71	0.82
South African equities	162	0.71	0.82
66,990 Sanlam	162	0.71	
Fixed income	6,434	28.09	24.12
United Kingdom			
Government bonds			
£335,473 UK Treasury 0% 15/05/2023	335	1.46	
£1,364,000 UK Treasury 0% 10/07/2023	1,353	5.91	
£458,190 UK Treasury 0% 24/07/2023	453	1.98	
£891,651 UK Treasury 0% 04/09/2023	878	3.83	
£278,794 UK Treasury 1.5% 31/07/2053	155	0.68	
Investment grade corporate bonds	88	0.38	0.38
IDR1,740,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	88	0.38	
Below investment grade corporate bonds	82	0.36	0.00
€100,000 Vodafone 0.9% 24/11/2026	82	0.36	
Belgium	79	0.34	0.00
Below investment grade corporate bonds	79	0.34	0.00
€100,000 KBC Var. Rate 0.25% 01/03/2027	79	0.34	
France	250	1.09	0.79
Investment grade corporate bonds	0	0.00	0.60
Below investment grade corporate bonds	250	1.09	0.19
US\$59,000 EDF 3.625% 13/10/2025	46	0.20	
€50,000 Renault 1% 28/11/2025	41	0.18	
€100,000 Société Générale Var. Rate 0.875% 22/09/2028	76	0.33	
€100,000 Unibail-Rodamco-Westfield 2.5% 26/02/2024	87	0.38	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)			
Germany	108	0.47	0.31
Investment grade corporate bonds	35	0.15	0.31
€47,000 Mercedes-Benz 0.75% 10/09/2030	35	0.15	
Below investment grade corporate bonds	73	0.32	0.00
€100,000 ZF Finance 2.25% 03/05/2028	73	0.32	
Luxembourg	376	1.64	0.82
Investment grade corporate bonds	376	1.64	0.82
ZAR8,590,000 European Investment Bank 0% 18/10/2032	149	0.65	
£241,000 European Investment Bank 0.75% 15/11/2024	227	0.99	
Netherlands	80	0.35	0.00
Below investment grade corporate bonds	80	0.35	0.00
€100,000 ING 2.5% 15/11/2030	80	0.35	
Portugal	82	0.36	0.38
Investment grade corporate bonds	0	0.00	0.38
Below investment grade corporate bonds	82	0.36	0.00
€100,000 EDP - Energias de Portugal 1.625% 15/04/2027	82	0.36	
Sweden	161	0.70	0.38
Below investment grade corporate bonds	161	0.70	0.38
€100,000 Swedbank Var. Rate 0.3% 20/05/2027	78	0.34	
€100,000 Volvo Car 4.25% 31/05/2028	83	0.36	
United States	1,456	6.36	11.73
Government bonds	0	0.00	7.44
Investment grade corporate bonds	1,119	4.89	3.35
US\$116,000 Apple 3% 20/06/2027	90	0.39	
£318,000 Inter-American Development Bank 1.375% 15/12/2024	301	1.31	
US\$303,000 Inter-American Development Bank 4.375% 24/01/2044	249	1.09	
IDR1,490,000,000 Inter-American Development Bank 5.1% 17/11/2026	79	0.35	
BRL490,000 International Bank for Reconstruction & Development 0% 30/01/2024	72	0.32	
MXN4,510,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	175	0.76	

Portfolio statement

Investments (continued)

Holding		as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Fixed income (continued)				
United States (continued)				
Investment grade corporate bonds (continued)				
BRL750,000	International Bank for Reconstruction & Development 5% 22/01/2026	107	0.47	
US\$73,000	Prologis 1.25% 15/10/2030	46	0.20	
Below investment grade corporate bonds		337	1.47	0.94
US\$100,000	Ball 2.875% 15/08/2030	67	0.29	
US\$70,000	Boston Properties 2.55% 01/04/2032	42	0.18	
US\$62,000	Boston Properties 4.5% 01/12/2028	45	0.20	
US\$72,000	DaVita 3.75% 15/02/2031	46	0.20	
US\$57,000	HCA 5% 15/03/2024	45	0.20	
US\$64,000	Xylem 1.95% 30/01/2028	46	0.20	
US\$68,000	Xylem 2.25% 30/01/2031	46	0.20	
Chile		284	1.24	1.06
Government bonds		284	1.24	1.06
CLP175,000,000	Chile (Republic of) 5% 01/10/2028	169	0.74	
€200,000	Chile (Republic of) 1.25% 29/01/2040	115	0.50	
Colombia		164	0.72	0.59
Government bonds		164	0.72	0.59
COP1,242,800,000	Colombia (Republic of) 7% 26/03/2031	164	0.72	
Mexico		0	0.00	0.31
Government bonds		0	0.00	0.31
Peru		0	0.00	0.31
Government bonds		0	0.00	0.31
South Africa		0	0.00	0.26
Government bonds		0	0.00	0.26
Cayman Islands		0	0.00	0.19
Investment grade corporate bonds		0	0.00	0.19
Debt derivatives		50	0.22	0.00
Interest rate futures		50	0.22	0.00
12	US Ultra Bond Cbt Jun 2023	50	0.22	

Portfolio statement

Investments (continued)

Holding	as at 30.04.23 £'000	as at 30.04.23 %	as at 31.10.22 %
Currency	41	0.18	0.14
Forward currency contracts	41	0.18	0.14
AU\$(684,095) Sold for £363,902 (expires 31.07.23)	2	0.01	
CA\$(406,000) Sold for £239,277 (expires 31.07.23)	1	0.00	
DKK(5,692,188) Sold for £678,750 (expires 31.07.23)	3	0.01	
€(4,893,293) Sold for £4,344,950 (expires 31.07.23)	18	0.08	
HK\$(5,280,710) Sold for £541,767 (expires 31.07.23)	1	0.01	
¥(58,364,153) Sold for £355,547 (expires 31.07.23)	7	0.03	
US\$725,025 Bought for TWD21,893,588 (expires 10.07.23)	6	0.03	
US\$106,623 Bought for £85,541 (expires 31.07.23)	0	0.00	
US\$(7,633,389) Sold for £6,116,743 (expires 31.07.23)	3	0.01	
Total portfolio	22,282	97.29	93.93
Net other assets/(liabilities)	620	2.71	6.07
Net assets attributable to shareholders	22,902	100.00	100.00

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

^a Suspended.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the six months to 30 April 2023

Largest purchases	£'000
UK Treasury 0% 15/05/2023	1,563
UK Treasury 0% 10/07/2023	1,340
UK Treasury 0% 04/09/2023	876
UK Treasury 0% 24/07/2023	449
UK Treasury 0% 30/01/2023	414
Inter-American Development Bank 1.375% 15/12/2024	303
American Express	179
Truist Financial	177
European Investment Bank 0% 18/10/2032	171
International Bank for Reconstruction & Development 4.25% 22/01/2026	170
Other purchases	3,277
Total purchases	8,919

Largest sales	£'000
US Treasury 3% 15/02/2048	1,595
UK Treasury 0% 06/02/2023	1,340
UK Treasury 0% 15/05/2023	1,235
UK Treasury 0% 30/01/2023	416
International Bank for Reconstruction & Development 0.5% 24/07/2023	181
LG	162
Truist Financial	157
Comercia	156
KeyCorp	148
Hankook Tire & Technology	129
Other sales	1,383
Total sales	6,902

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+6.9	n/a	n/a	n/a
Class 'A' Accumulation	+6.9	n/a	n/a	n/a
Class 'I' Income	+7.0	n/a	n/a	n/a
Class 'I' Accumulation	+7.0	n/a	n/a	n/a
Class 'L' Accumulation	+7.1	n/a	n/a	n/a
Class 'PP' Income	+7.1	n/a	n/a	n/a
Class 'PP' Accumulation	+7.1	n/a	n/a	n/a
Class 'R' Income	+6.9	n/a	n/a	n/a
Class 'R' Accumulation	+6.9	n/a	n/a	n/a
Benchmark	+4.9	n/a	n/a	n/a

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	93.10	110.74	100.00
Return before operating charges	7.05	(13.82)	13.66
Operating charges	(0.59)	(1.19)	(1.02)
Return after operating charges	6.46	(15.01)	12.64
Distributions	(1.29)	(2.63)	(1.90)
Closing NAV	98.27	93.10	110.74
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.10
Dilution adjustments	0.00	(0.02)	(0.02)
Total direct transaction costs	0.01	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	1.13	1.15	1.05
Return after charges	+6.94	-13.55	+12.64
Other information			
Closing NAV (£'000)	575	530	716
Number of shares	585,569	569,528	646,865
Highest share price (UK p)	101.67	114.02	112.38
Lowest share price (UK p)	92.84	90.20	99.66

Sterling Class 'A' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	97.17	112.69	100.00
Return before operating charges	7.33	(14.33)	13.70
Operating charges	(0.62)	(1.19)	(1.01)
Return after operating charges	6.71	(15.52)	12.69
Distributions	(0.82)	(1.65)	(0.91)
Retained distributions	0.82	1.65	0.91
Closing NAV	103.88	97.17	112.69
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.10
Dilution adjustments	0.00	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	1.13	1.15	1.05
Return after charges	+6.91	-13.77	+12.69
Other information			
Closing NAV (£'000)	598	451	30
Number of shares	575,444	464,521	26,728
Highest share price (UK p)	106.65	116.03	113.76
Lowest share price (UK p)	96.88	93.53	99.66

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	93.69	111.13	100.00
Return before operating charges	7.04	(14.04)	13.65
Operating charges	(0.40)	(0.77)	(0.62)
Return after operating charges	6.64	(14.81)	13.03
Distributions	(1.26)	(2.63)	(1.90)
Closing NAV	99.07	93.69	111.13
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.10
Dilution adjustments	0.00	(0.02)	(0.02)
Total direct transaction costs	0.01	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.73	0.75	0.65
Return after charges	+7.09	-13.33	+13.03
Other information			
Closing NAV (£'000)	67	47	27
Number of shares	67,645	50,058	23,941
Highest share price (UK p)	102.40	114.45	112.71
Lowest share price (UK p)	93.42	90.73	99.67

Sterling Class 'I' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	97.85	113.10	100.00
Return before operating charges	7.34	(14.46)	13.73
Operating charges	(0.42)	(0.79)	(0.63)
Return after operating charges	6.92	(15.25)	13.10
Distributions	(0.99)	(2.03)	(1.29)
Retained distributions	0.99	2.03	1.29
Closing NAV	104.77	97.85	113.10
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.10
Dilution adjustments	0.00	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.73	0.75	0.65
Return after charges	+7.07	-13.48	+13.10
Other information			
Closing NAV (£'000)	1,675	1,611	1,216
Number of shares	1,598,709	1,645,968	1,075,573
Highest share price (UK p)	107.48	116.46	114.08
Lowest share price (UK p)	97.56	94.17	99.67

Financial highlights

Sterling Class 'L' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	98.16	113.29	100.00
Return before operating charges	7.35	(14.54)	13.72
Operating charges	(0.32)	(0.59)	(0.43)
Return after operating charges	7.03	(15.13)	13.29
Distributions	(1.08)	(2.20)	(1.48)
Retained distributions	1.08	2.20	1.48
Closing NAV	105.19	98.16	113.29
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.10
Dilution adjustments	0.00	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.53	0.55	0.45
Return after charges	+7.16	-13.36	+13.29
Other information			
Closing NAV (£'000)	14,741	13,756	15,884
Number of shares	14,014,040	14,014,040	14,020,040
Highest share price (UK p)	107.87	116.68	114.24
Lowest share price (UK p)	97.87	94.47	99.68

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	93.84	111.23	100.00
Return before operating charges	7.04	(14.08)	13.66
Operating charges	(0.35)	(0.68)	(0.53)
Return after operating charges	6.69	(14.76)	13.13
Distributions	(1.25)	(2.63)	(1.90)
Closing NAV	99.28	93.84	111.23
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.10
Dilution adjustments	0.00	(0.02)	(0.02)
Total direct transaction costs	0.01	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.63	0.65	0.55
Return after charges	+7.13	-13.27	+13.13
Other information			
Closing NAV (£'000)	24	22	22
Number of shares	23,614	23,614	20,060
Highest share price (UK p)	102.59	114.55	112.79
Lowest share price (UK p)	93.57	90.89	99.68

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	98.00	113.20	100.00
Return before operating charges	7.35	(14.52)	13.71
Operating charges	(0.37)	(0.68)	(0.51)
Return after operating charges	6.98	(15.20)	13.20
Distributions	(1.03)	(2.09)	(1.39)
Retained distributions	1.03	2.09	1.39
Closing NAV	104.98	98.00	113.20
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.09
Dilution adjustments	0.00	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.07
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.63	0.65	0.55
Return after charges	+7.12	-13.43	+13.20
Other information			
Closing NAV (£'000)	4,201	3,270	863
Number of shares	4,001,755	3,337,213	762,230
Highest share price (UK p)	107.67	116.57	114.16
Lowest share price (UK p)	97.71	94.31	99.68

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	93.31	110.88	100.00
Return before operating charges	7.04	(13.92)	13.65
Operating charges	(0.52)	(1.03)	(0.87)
Return after operating charges	6.52	(14.95)	12.78
Distributions	(1.28)	(2.62)	(1.90)
Closing NAV	98.55	93.31	110.88
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.10
Dilution adjustments	0.00	(0.02)	(0.02)
Total direct transaction costs	0.01	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.98	1.00	0.90
Return after charges	+6.99	-13.48	+12.78
Other information			
Closing NAV (£'000)	125	124	101
Number of shares	127,097	132,377	91,180
Highest share price (UK p)	101.92	114.18	112.51
Lowest share price (UK p)	93.05	90.39	99.66

Sterling Class 'R' Accumulation share performance

The share class was launched on 8 December 2020.

Change in NAV per share	Six months to 30.04.23 UK p	Year to 31.10.22 UK p	Year to 31.10.21 UK p
Opening NAV	97.45	112.84	100.00
Return before operating charges	7.34	(14.33)	13.71
Operating charges	(0.54)	(1.06)	(0.87)
Return after operating charges	6.80	(15.39)	12.84
Distributions	(0.89)	(1.83)	(1.06)
Retained distributions	0.89	1.83	1.06
Closing NAV	104.25	97.45	112.84
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.10
Dilution adjustments	0.00	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.98	1.00	0.90
Return after charges	+6.98	-13.64	+12.84
Other information			
Closing NAV (£'000)	896	839	727
Number of shares	859,225	861,210	644,088
Highest share price (UK p)	106.99	116.19	113.88
Lowest share price (UK p)	97.16	93.80	99.66

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		1,257		(1,459)
Revenue	311		229	
Expenses	(58)		(54)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	253		175	
Taxation	(30)		(17)	
Net revenue/(expense) after taxation		223		158
Total return before distributions		1,480		(1,301)
Distributions		(227)		(158)
Change in net assets attributable to shareholders from investment activities		1,253		(1,459)

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		20,650		19,586
Amounts received on issue of shares	1,159		3,383	
Amounts paid on cancellation of shares	(381)		(285)	
		778		3,098
Dilution adjustments		2		6
Change in net assets attributable to shareholders from investment activities (see above)		1,253		(1,459)
Retained distributions on Accumulation shares		219		156
Closing net assets attributable to shareholders		22,902		21,387

The opening net assets attributable to shareholders for 2023 differs to the closing position in 2022 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2023 £'000	31 October 2022 £'000
Assets		
Fixed assets		
Investments	22,282	19,423
Current assets		
Debtors	90	72
Cash and bank balances	560	1,194
Total assets	22,932	20,689
Liabilities		
Investment liabilities	0	(27)
Creditors		
Distribution payable	(6)	(5)
Other creditors	(24)	(7)
Total liabilities	(30)	(39)
Net assets attributable to shareholders	22,902	20,650

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

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.

Charity Authorised Investment Fund (CAIF) An investment entity that is both a registered charity and an authorised investment fund. The CAIF must comply with charity law as well as financial services laws and regulations, and is usually treated as a registered charity for tax purposes.

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.

Glossary

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.

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'.

Glossary

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 predetermined 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.

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.

Glossary

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 investors 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.

Glossary

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.

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.

Swing pricing Swing pricing is a method of protecting long-term shareholders in the fund from bearing the costs of transactions carried out by shorter-term investors. When investors buy or sell shares in the fund, the fund manager has to buy or sell underlying securities to either invest the cash obtained from investors, or to provide them with cash in exchange for their shares. Swing pricing essentially adjusts the fund shares' daily price to take into account the costs of buying or selling the underlying securities held by the fund. This ensures that transaction costs such as brokerage fees and administrative charges are borne by those investors who trade shares in the fund, not by those who remain invested in the fund. (Also see dilution adjustment).

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.

Glossary

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.

