

M&G Optimal Income Fund

**Interim report and unaudited financial statements
for the six months ended 31 March 2023**

Contents

Authorised Corporate Director's Report.....	1
Directors' statement	3
Financial statements and notes.....	4
Authorised Corporate Director's Report, including the portfolio statement, financial highlights, financial statements and notes	5
Other regulatory disclosures	40
Glossary.....	41

Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Optimal Income Fund presents its interim report and unaudited financial statements for the six months ended 31 March 2023.

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

Company information

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

The Company was authorised on 17 November 2006 and the fund was launched on 8 December 2006.

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

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

Fund manager

Richard Woolnough is employed by M&G FA Limited which is an associate of M&G Securities Limited.

ACD

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

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)

Depository

NatWest Trustee & Depository 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

Authorised Corporate Director's Report

Important information

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

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.

From 6 March 2023, the Fund's benchmark changed from the IA Sterling Strategic Bond Sector to a composite index consisting of 1/3 Bloomberg Global Treasury Index GBP Hedged, 1/3 Bloomberg Global Aggregate Corporate Index GBP Hedged and 1/3 Bloomberg Global High Yield Index GBP Hedged.

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.

Investor information

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

Customer services and administration for UK clients:

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

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

Telephone: 0800 390 390 (UK only)

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

Customer services and administration for non-UK clients:

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

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

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

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

Swiss paying agent and representative:

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

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 the fund are prepared in accordance with the Investment Association Statement of Recommended Practice for Financial Statements of UK Authorised Funds (SORP) and UK Financial Reporting Standards, and give a true and fair view of the net revenue or expenses and net capital gains or losses for the accounting period, and the financial position at the end of that period.

The ACD is required to keep proper accounting records, and to manage the Company in accordance with the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA, the Instrument of Incorporation and the Prospectus, and to take reasonable steps for the prevention and detection of fraud or other irregularities. 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
16 May 2023

Financial statements and notes

The financial statements for M&G Optimal Income Fund comprise the financial statements for the 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 the 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, 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 30 September 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 6 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 composite index, over any five-year period.

The composite index is made up of one third Bloomberg Global Treasury Index GBP Hedged, one third Bloomberg Global Aggregate Corporate Index GBP Hedged and one third Bloomberg Global High Yield Index GBP Hedged.

Investment policy

At least 50% of the fund is invested, directly or indirectly through derivatives, in debt securities, including investment grade bonds, below investment grade unrated securities and asset backed securities. These securities can be issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies from anywhere in the world, including emerging markets. These securities can be denominated in any currency.

Other investments may include:

- up to 20% of the fund in equities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

There are no credit quality restrictions applicable to the fund's investments.

At least 80% of the fund is in sterling or hedged back to sterling.

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

Investment approach

The fund is globally diversified across a range of debt securities and issuers from a variety of sectors and geographies. This flexibility allows the fund manager to invest in a combination of assets that together provide the most attractive or 'optimal' income stream for the fund. Income streams from different assets essentially offer different combinations of duration (interest rate) risk and credit risk – the optimal income stream is therefore that which incorporates the best mix of the two, based on the fund manager's view on macroeconomic, asset class, sector and geographic factors. In seeking an optimal income stream from investments, the fund manager may invest in a company's equities if they present a more attractive investment opportunity relative to its bonds.

Individual credit selection is carried out with the assistance of an in-house team of credit analysts to complement the fund manager's views.

Benchmark

Benchmark: A composite index comprising:

- 1/3 Bloomberg Global Treasury Index GBP Hedged
- 1/3 Bloomberg Global Aggregate Corporate Index GBP Hedged
- 1/3 Bloomberg Global High Yield Index GBP Hedged.

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

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

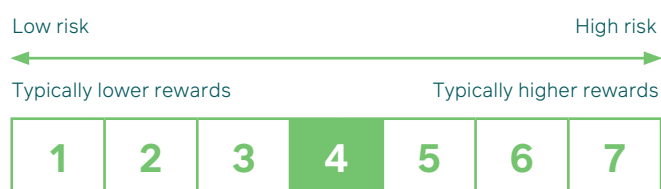
For unhedged share classes, the benchmark is shown in the share class currency.

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 31 March 2023

Performance against objective

Between 1 October 2022 and 31 March 2023 (the period under review), the M&G Optimal Income Fund delivered a positive total return (the combination of income and capital growth) across all its sterling share classes. Fund performance was ahead of the fund's benchmark, which returned 7.2% over the same period.

The fund's benchmark is a composite index consisting of 1/3 Bloomberg Global Treasury Index GBP Hedged, 1/3 Bloomberg Global Aggregate Corporate Index GBP Hedged and 1/3 Bloomberg Global High Yield Index GBP Hedged. The benchmark prior to 6 March 2023 was the IA Sterling Strategic Bond Sector.

Over five years, the fund generated a positive total return across all its share classes. It lagged the benchmark, where the average return was 0.9% pa, in four of its five share classes. Therefore, the fund did not

meet the objective of providing a higher total return, net of the ongoing charge figure, than the average return of the benchmark over any five-year period for four of its five share classes.

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

Performance review

The six-month period under review saw heightened volatility across global bond markets, though most fixed income assets delivered positive returns. Bond markets rallied in the fourth quarter of 2022, as major economies reported stable or slightly lower inflation, raising the hope that central banks would start reducing interest rates in 2023. However, the bond market rally faded in December, amid renewed concerns about persistent inflation. By the end of the review period, the collapse of two medium-sized US banks and rescue of Swiss lender Credit Suisse led to a sell-off in lower-rated bonds, especially in the financial sector. Despite this, bond markets posted positive returns, driven by lower government bond yields.

Against this backdrop, the fund delivered a positive return and outperformed its benchmark over the review period.

In the fourth quarter of 2022 our overweight, longer-duration positioning in sterling-denominated bonds contributed positively to relative performance. Sterling bonds outperformed following the reversal of the fiscal plans announced in the September mini-budget, leading to UK gilt yields (which move in the opposite direction to bond prices) falling considerably. In December, our overweight position in euro-denominated government bonds modestly detracted. This followed a warning from the European Central Bank about the risk of higher medium-term inflation.

In credit, our overweight positioning in investment grade and high yield bonds added value. Sentiment towards risk assets improved in the fourth quarter and credit spreads tightened significantly. Our sector allocation was the main contributor to the fund's performance, with investments in euro-denominated

Authorised Corporate Director's Report

high yield non-financials and sterling investment grade bonds outperforming. However, our allocation to US dollar sovereign bonds detracted (relative to the benchmark). Security selection was also beneficial overall.

The fund continued its robust performance into the first quarter of 2023. The fund's duration positioning contributed positively overall to performance as there was a strong rally in government bonds toward the end of the quarter. While our sterling and euro bonds contributed positively, our US dollar bonds detracted.

Within credit, our asset allocation and security selection were beneficial for relative returns. Our allocation to the non-financial sector contributed positively. Towards the end of the quarter, the fund's credit exposure within the financial sector hampered relative performance due to the US banking crisis. In contrast, our underweight high yield positioning added value as credit spreads widened.

During the period under review, the portfolio's duration was unchanged at around 5.8 years. This was higher than the benchmark.

Investment activities

In October, heightened volatility in the UK gilts market provided us with an opportunity to trade in long-dated UK bonds. We closed our positions after gilts rebounded following the intervention of the Bank of England and the announcement of a more fiscally prudent budget.

Later in the fourth quarter, our activities were primarily concentrated in government bonds. We used the weakness in European sovereigns to add bonds from France, Italy and the UK by selling US Treasuries. In emerging markets, we added bonds from Poland and Panama, while closing our short position in Brazil. Within credit, we continued to look for opportunities among banking issuers as they offered better value in a rising interest rate environment.

In the primary market, we bought issues from Barclays, Intesa Sanpaolo, Dish Network and Vonovia. At the beginning of 2023, we participated in attractive deals

from Standard Chartered, Credit Agricole, Thames Water, British Telecom, Tesco and Lloyds.

Towards the end of the review period, we took some profits from our strong performers, thereby reducing our credit exposure. Elsewhere, we scaled back exposure to long-dated US government bonds (Treasuries) and reinvested the proceeds in intermediate-term Treasuries.

In March, we hedged some of our credit risk on the back of the unfolding banking crisis in the US and Europe.

Outlook

Looking ahead, we remain constructive on the global economy and, as a result, we maintain an overweight exposure to credit. We now see inflation on a downward trajectory in both developed and developing economies. While our base-case scenario is for interest rates to remain higher for longer, the combination of higher government bond yields and declining inflation have improved the risk/reward profile of government bonds, in our view.

Should there be a significant downturn in the US economy over the coming months, we believe US Treasuries could offer downside protection, as yields are likely to fall in that situation, generating attractive potential total returns for investors.

We continue to find dislocation across markets and carry out relative value trades, particularly in financial bonds and between euro- and US dollar-denominated bonds.

Richard Woolnough

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Equities	4,388	0.32	0.27
Travel & leisure	0	0.00	0.00
416,995 Codere ^a	0	0.00	
Industrial support services	4,370	0.32	0.27
150,000 Adecco	4,370	0.32	
Precious metals & mining	0	0.00	0.00
3,647,371 New World Resources ^a	0	0.00	
Oil & gas	18	0.00	0.00
85 Chaparral Energy Warrants 01/10/2024 ^a	0	0.00	
85 Chaparral Energy Warrants 01/10/2025 ^a	0	0.00	
431 Denbury Warrants 18/09/2023	18	0.00	
Fixed income	1,275,658	92.35	93.28
Debt securities	1,257,748	91.05	93.06
'AAA' credit rated bonds	39,142	2.83	0.33
€15,000,000 Germany (Federal Republic of) 1% 15/08/2025	12,682	0.92	
US\$6,000,000 Inter-American Development Bank FRN 5.141% 10/06/2031	4,786	0.35	
US\$6,500,000 Microsoft 2.4% 08/08/2026	4,972	0.36	
US\$2,500,000 Microsoft 3.45% 08/08/2036	1,851	0.13	
US\$4,500,000 National Australia Bank 4.628% 22/11/2027	3,662	0.26	
€3,600,000 Nationwide Building Society 3.625% 15/03/2028	3,199	0.23	
£3,325,000 Nationwide Building Society FRN 4.5154% 24/02/2031	3,249	0.24	
£1,204,780 Taurus 2021-4 FRN 5.0314% 17/08/2031	1,169	0.08	
€4,000,000 Toronto-Dominion Bank 3.715% 13/03/2030	3,572	0.26	
'AA' credit rated bonds	237,956	17.23	22.03
US\$4,000,000 Apple 1.2% 08/02/2028	2,818	0.20	
US\$3,000,000 Apple 3.2% 11/05/2027	2,341	0.17	
US\$3,000,000 Apple 3.35% 09/02/2027	2,353	0.17	
€1,500,000 Deutsche Bahn Finance 3.625% 18/12/2037	1,308	0.10	
€8,000,000 European Union 1.625% 04/12/2029	6,459	0.47	
€9,759,336 European Union 3.25% 04/07/2034	8,677	0.63	
€80,000,000 France (Republic of) 1.25% 25/05/2034	58,685	4.25	
€15,000,000 France (Republic of) 2% 25/05/2048	10,410	0.75	
£241,520 INTU Metrocentre 1% 04/12/2024	241	0.02	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'AA' credit rated bonds (continued)			
£702,000 Land Securities Capital Markets 4.875% 15/09/2032	708	0.05	
£2,508,000 Metropolitan Life Global Funding I 1.625% 12/10/2028	2,120	0.15	
£65,000,000 UK Treasury 0.625% 22/10/2050	29,630	2.15	
£12,000,000 UK Treasury 4.25% 07/12/2046	12,616	0.91	
US\$10,000,000 US Treasury 0.75% 31/03/2026	7,366	0.53	
US\$25,000,000 US Treasury 1% 31/07/2028	17,567	1.27	
US\$25,000,000 US Treasury 1.25% 30/06/2028	17,846	1.29	
US\$25,000,000 US Treasury 1.625% 15/11/2050	12,768	0.93	
US\$30,000,000 US Treasury 2.25% 15/11/2025	23,179	1.68	
US\$2,500,000 US Treasury 2.25% 15/08/2046	1,507	0.11	
US\$25,000,000 US Treasury 2.875% 15/08/2028	19,357	1.40	
	140,671	10.18	9.10
'A' credit rated bonds			
£1,188,000 Assura Financing 3% 19/07/2028	1,053	0.08	
£3,500,000 AXA Var. Rate 5.625% 16/01/2054	3,278	0.24	
€6,500,000 Bank of America Var. Rate 0.694% 22/03/2031	4,495	0.32	
£3,500,000 Bank of America Var. Rate 1.667% 02/06/2029	2,902	0.21	
US\$2,500,000 Bank of America Var. Rate 1.922% 24/10/2031	1,597	0.12	
£1,998,000 Bank of America Var. Rate 3.584% 27/04/2031	1,776	0.13	
US\$3,500,000 Bank of America Var. Rate 4.376% 27/04/2028	2,721	0.20	
€3,400,000 Banque Fédérative du Crédit Mutuel 0.625% 03/11/2028	2,449	0.18	
€1,000,000 Banque Fédérative du Crédit Mutuel 0.625% 21/02/2031	667	0.05	
€2,500,000 Banque Fédérative du Crédit Mutuel 1.375% 02/04/2030	1,793	0.13	
£5,000,000 BG Energy Capital 5% 04/11/2036	4,868	0.35	
€2,500,000 Chubb 0.875% 15/12/2029	1,809	0.13	
€2,600,000 Chubb 1.4% 15/06/2031	1,876	0.14	
US\$1,240,000 Comcast 3.2% 15/07/2036	837	0.06	
US\$1,249,000 Comcast Cable Communications 8.5% 01/05/2027	1,125	0.08	
€1,600,000 Crédit Agricole Var. Rate 0.5% 21/09/2029	1,148	0.08	
€2,500,000 Crédit Agricole 0.875% 14/01/2032	1,676	0.12	
€1,300,000 Crédit Agricole 3.875% 28/11/2034	1,141	0.08	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'A' credit rated bonds (continued)			
€2,506,000 East Japan Railway 4.11% 22/02/2043	2,187	0.16	
€667,000 ELM Var. Rate 3.375% 29/09/2047	524	0.04	
€1,218,000 ELM Var. Rate 4.5% Perpetual	1,007	0.07	
€2,700,000 Hannover Rueck Var. Rate 1.375% 30/06/2042	1,680	0.12	
€2,400,000 Hannover Rueck Var. Rate 1.75% 08/10/2040	1,624	0.12	
€2,000,000 Hannover Rueck Var. Rate 5.875% 26/08/2043	1,783	0.13	
US\$600,000 Henkel 1.75% 17/11/2026	436	0.03	
US\$1,500,000 Home Depot 4.5% 15/09/2032	1,208	0.09	
US\$1,500,000 International Business Machines 4.5% 06/02/2028	1,203	0.09	
£2,500,000 JPMorgan Chase Var. Rate 1.895% 28/04/2033	1,908	0.14	
US\$3,000,000 JPMorgan Chase Var. Rate 2.069% 01/06/2029	2,088	0.15	
US\$8,000,000 JPMorgan Chase Var. Rate 2.963% 25/01/2033	5,468	0.40	
US\$1,779,000 JPMorgan Chase Var. Rate 4.586% 26/04/2033	1,378	0.10	
US\$1,267,000 JPMorgan Chase Var. Rate 4.851% 25/07/2028	1,017	0.07	
US\$4,500,000 JPMorgan Chase Var. Rate 4.912% 25/07/2033	3,577	0.26	
€2,000,000 KKR 1.625% 22/05/2029	1,392	0.10	
£2,790,000 Leeds Building Society 1.375% 06/10/2027	2,348	0.17	
US\$1,500,000 Meta 4.45% 15/08/2052	1,046	0.08	
US\$5,000,000 Meta 4.65% 15/08/2062	3,503	0.25	
US\$6,000,000 Mizuho Financial Var. Rate 1.979% 08/09/2031	3,806	0.27	
€1,400,000 Morgan Stanley Var. Rate 0.406% 29/10/2027	1,071	0.08	
€6,600,000 Morgan Stanley Var. Rate 0.495% 26/10/2029	4,734	0.34	
€4,000,000 Morgan Stanley Var. Rate 0.497% 07/02/2031	2,743	0.20	
€2,500,000 Morgan Stanley Var. Rate 1.102% 29/04/2033	1,659	0.12	
US\$3,900,000 Morgan Stanley Var. Rate 1.794% 13/02/2032	2,450	0.18	
US\$2,000,000 Morgan Stanley Var. Rate 3.591% 22/07/2028	1,515	0.11	
US\$5,000,000 Morgan Stanley Var. Rate 3.622% 01/04/2031	3,659	0.26	
£1,500,000 Morgan Stanley Var. Rate 5.789% 18/11/2033	1,521	0.11	
€800,000 Münchener Rückversicherungs-Gesellschaft Var. Rate 1% 26/05/2042	491	0.03	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'A' credit rated bonds (continued)			
US\$2,200,000 Münchener Rückversicherungs-Gesellschaft Var. Rate 5.875% 23/05/2042	1,758	0.13	
€4,000,000 Nationwide Building Society 0.25% 14/09/2028	2,823	0.20	
€1,831,000 NBN 4.375% 15/03/2033	1,652	0.12	
€2,000,000 Philip Morris International 0.8% 01/08/2031	1,277	0.09	
€10,000,000 Philip Morris International 1.45% 01/08/2039	5,065	0.37	
€1,000,000 Philip Morris International 1.875% 06/11/2037	575	0.04	
€6,000,000 Philip Morris International 2% 09/05/2036	3,647	0.26	
US\$1,600,000 Poland (Republic of) 5.75% 16/11/2032	1,371	0.10	
US\$2,041,907 Project Silver 3.967% 15/07/2044	1,395	0.10	
€1,500,000 Prologis Euro Finance 4.25% 31/01/2043	1,176	0.08	
€1,200,000 Prologis International Funding II 4.625% 21/02/2035	978	0.07	
US\$2,932,746 Slam 2021-1 2.434% 15/06/2046	2,050	0.15	
€3,000,000 Slovakia (Republic of) 3.75% 23/02/2035	2,573	0.19	
£5,000,000 Toronto-Dominion Bank 2.875% 05/04/2027	4,552	0.33	
€2,000,000 TotalEnergies Var. Rate 2% Perpetual	1,339	0.10	
€2,452,000 TotalEnergies Var. Rate 2.125% Perpetual	1,551	0.11	
€1,000,000 UBS 1.25% 01/09/2026	789	0.06	
£3,139,000 UBS Var. Rate 1.875% 03/11/2029	2,503	0.18	
US\$554,000 UBS Var. Rate 3.126% 13/08/2030	378	0.03	
US\$432,000 Willow No. 2 Var. Rate 4.25% 01/10/2045	319	0.02	
US\$5,000,000 Zurich Finance Ireland Designated Activity Var. Rate 3% 19/04/2051	3,050	0.22	
£4,000,000 Zurich Finance Ireland Designated Activity Var. Rate 5.125% 23/11/2052	3,613	0.26	
'BBB' credit rated bonds	627,593	45.43	42.91
£496,000 3i 5.75% 03/12/2032	500	0.04	
US\$5,500,000 AerCap Ireland Capital 3.3% 30/01/2032	3,628	0.26	
US\$2,500,000 AerCap Ireland Capital 3.4% 29/10/2033	1,609	0.12	
US\$2,000,000 Allianz Var. Rate 3.2% Perpetual	1,133	0.08	
€11,000,000 Altria 3.125% 15/06/2031	8,207	0.59	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
US\$3,000,000 Altria 3.875% 16/09/2046	1,710	0.12	
US\$1,835,000 Altria 4.5% 02/05/2043	1,170	0.08	
US\$5,000,000 Altria 5.8% 14/02/2039	3,899	0.28	
US\$6,048,000 Altria 5.95% 14/02/2049	4,587	0.33	
US\$2,000,000 Amgen 4.4% 22/02/2062	1,345	0.10	
US\$1,830,000 Amgen 5.75% 02/03/2063	1,510	0.11	
£1,247,000 Anglo American Capital 3.375% 11/03/2029	1,097	0.08	
US\$1,766,000 Anglo American Capital 4.75% 16/03/2052	1,190	0.09	
£1,028,000 Annington Funding 2.308% 06/10/2032	747	0.05	
£1,164,000 Annington Funding 2.924% 06/10/2051	639	0.05	
£1,000,000 Annington Funding 3.184% 12/07/2029	836	0.06	
£730,000 Annington Funding 3.685% 12/07/2034	574	0.04	
US\$432,000 Argentum Netherlands for Swiss Re Var. Rate 5.75% 15/08/2050	330	0.02	
£1,700,000 Aroundtown 3% 16/10/2029	1,062	0.08	
US\$800,000 Aroundtown 5.375% 21/03/2029	475	0.03	
€4,000,000 Assicurazioni Generali Var. Rate 5.5% 27/10/2047	3,502	0.25	
£4,000,000 Australia & New Zealand Banking Var. Rate 1.809% 16/09/2031	3,348	0.24	
US\$1,000,000 Australia & New Zealand Banking Var. Rate 2.57% 25/11/2035	617	0.04	
€1,500,000 Aviva Var. Rate 3.375% 04/12/2045	1,236	0.09	
£1,000,000 Aviva Var. Rate 4% 03/06/2055	776	0.06	
£2,269,000 Aviva Var. Rate 4.375% 12/09/2049	2,001	0.15	
£4,500,000 Aviva Var. Rate 5.125% 04/06/2050	4,068	0.29	
£1,000,000 Aviva Var. Rate 6.125% 14/11/2036	994	0.07	
£666,000 Aviva Var. Rate 6.875% Perpetual	571	0.04	
US\$5,000,000 Banco Bilbao Vizcaya Argentaria Var. Rate 6.138% 14/09/2028	4,081	0.30	
£1,300,000 Banco Santander 1.5% 14/04/2026	1,143	0.08	
£1,600,000 Banco Santander 1.75% 17/02/2027	1,367	0.10	
£5,000,000 Banco Santander Var. Rate 2.25% 04/10/2032	4,021	0.29	
US\$800,000 Banco Santander 2.958% 25/03/2031	528	0.04	
£2,000,000 Banco Santander Var. Rate 3.125% 06/10/2026	1,856	0.13	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
US\$2,000,000 Banco Santander Var. Rate 3.225% 22/11/2032	1,248	0.09	
US\$7,500,000 Bank of America Var. Rate 2.482% 21/09/2036	4,546	0.33	
US\$8,500,000 Bank of America Var. Rate 3.846% 08/03/2037	5,837	0.42	
€673,000 Bank of Ireland Var. Rate 4.875% 16/07/2028	590	0.04	
€3,500,000 Bankinter Var. Rate 1.25% 23/12/2032	2,491	0.18	
€2,400,000 Banque Fédérative du Crédit Mutuel 1.125% 19/11/2031	1,550	0.11	
€5,000,000 Banque Fédérative du Crédit Mutuel Var. Rate 3.875% 16/06/2032	4,187	0.30	
€1,000,000 Banque Fédérative du Crédit Mutuel 5.125% 13/01/2033	876	0.06	
US\$1,105,000 Barclays Var. Rate 5.746% 09/08/2033	868	0.06	
US\$3,500,000 Barclays Var. Rate 7.437% 02/11/2033	3,089	0.22	
£2,678,000 BAT International Finance 2.25% 09/09/2052	1,074	0.08	
£9,334,000 BAT International Finance 4% 23/11/2055	5,313	0.38	
£164,000 BAT International Finance 5.75% 05/07/2040	136	0.01	
€2,500,000 Bayerische Landesbank Var. Rate 1% 23/09/2031	1,812	0.13	
€2,137,000 Bevco Lux 1% 16/01/2030	1,452	0.11	
€2,200,000 BNP Paribas Var. Rate 0.5% 19/01/2030	1,539	0.11	
€3,400,000 BNP Paribas Var. Rate 0.875% 31/08/2033	2,359	0.17	
£3,000,000 BNP Paribas 1.25% 13/07/2031	2,128	0.15	
£1,000,000 BNP Paribas 2.875% 24/02/2029	856	0.06	
US\$4,900,000 BNP Paribas Var. Rate 3.052% 13/01/2031	3,376	0.24	
US\$1,250,000 BNP Paribas Var. Rate 3.132% 20/01/2033	835	0.06	
US\$1,500,000 BNP Paribas Var. Rate 4.375% 01/03/2033	1,100	0.08	
US\$2,892,000 BNP Paribas 4.625% 13/03/2027	2,215	0.16	
US\$6,000,000 Boeing 5.705% 01/05/2040	4,836	0.35	
US\$8,000,000 Boeing 5.805% 01/05/2050	6,399	0.46	
US\$13,750,000 Boeing 5.93% 01/05/2060	10,898	0.79	
€2,758,000 BP Capital Markets Var. Rate 3.625% Perpetual	2,106	0.15	
£1,000,000 BP Capital Markets Var. Rate 4.25% Perpetual	894	0.07	
US\$3,400,000 BPCE Var. Rate 2.277% 20/01/2032	2,096	0.15	
US\$1,680,000 BPCE Var. Rate 3.116% 19/10/2032	1,023	0.07	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
US\$2,759,000 BPCE Var. Rate 3.582% 19/10/2042	1,486	0.11	
£854,000 British Telecommunications 3.125% 21/11/2031	722	0.05	
£640,000 British Telecommunications 5.75% 13/02/2041	621	0.05	
£5,000,000 British Telecommunications 6.375% 23/06/2037	5,152	0.37	
US\$1,000,000 British Telecommunications 9.625% 15/12/2030	1,003	0.07	
US\$5,000,000 Broadcom 3.469% 15/04/2034	3,296	0.24	
US\$2,500,000 Broadcom 4.3% 15/11/2032	1,839	0.13	
£2,800,000 BUPA Finance 4.125% 14/06/2035	2,203	0.16	
£1,000,000 BUPA Finance 5% 08/12/2026	958	0.07	
€3,400,000 Bureau Veritas 1.875% 06/01/2025	2,874	0.21	
£3,000,000 Cadent Finance 2.125% 22/09/2028	2,543	0.18	
£417,000 Cadent Finance 5.75% 14/03/2034	422	0.03	
€2,500,000 CaixaBank Var. Rate 0.75% 26/05/2028	1,876	0.14	
£4,400,000 CaixaBank Var. Rate 3.5% 06/04/2028	3,930	0.28	
€3,333,000 Capital One Financial 1.65% 12/06/2029	2,256	0.16	
€3,695,000 Celanese 5.337% 19/01/2029	3,171	0.23	
US\$1,411,000 Celanese 6.379% 15/07/2032	1,142	0.08	
€2,613,000 Channel Link Enterprises Finance Var. Rate 2.706% 30/06/2050	2,083	0.15	
£1,943,000 Channel Link Enterprises Finance Var. Rate 3.043% 30/06/2050	1,645	0.12	
£360,000 Channel Link Enterprises Finance 3.848% 30/06/2050	253	0.02	
US\$750,000 Citigroup Var. Rate 3.057% 25/01/2033	509	0.04	
US\$8,099,000 Citigroup Var. Rate 3.785% 17/03/2033	5,854	0.42	
£2,276,000 Citigroup 4.5% 03/03/2031	2,081	0.15	
US\$500,000 Citigroup Var. Rate 4.91% 24/05/2033	392	0.03	
US\$864,000 Citigroup 6.625% 15/06/2032	744	0.05	
£1,000,000 CK Hutchison Telecom Finance 2.625% 17/10/2034	715	0.05	
€1,800,000 Cooperatieve Rabobank Var. Rate 3.875% 30/11/2032	1,500	0.11	
£2,500,000 Cooperatieve Rabobank 4.625% 23/05/2029	2,279	0.17	
€800,000 Cooperatieve Rabobank Var. Rate 4.875% Perpetual	597	0.04	
£1,506,000 Coventry Building Society 2% 20/12/2030	1,160	0.08	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£1,964,000 CPUK Finance 3.69% 28/08/2028	1,746	0.13	
€500,000 Crédit Agricole Var. Rate 1.625% 05/06/2030	407	0.03	
£2,100,000 Crédit Agricole Var. Rate 1.874% 09/12/2031	1,753	0.13	
€700,000 Crédit Agricole Var. Rate 7.25% Perpetual	590	0.04	
£500,000 Crédit Agricole Var. Rate 7.5% Perpetual	449	0.03	
€1,500,000 Crédit Agricole Assurances 1.5% 06/10/2031	995	0.07	
€3,000,000 Danske Bank Var. Rate 0.75% 09/06/2029	2,174	0.16	
£3,000,000 Danske Bank Var. Rate 2.25% 14/01/2028	2,576	0.19	
£614,405 Delamare Finance 5.5457% 19/02/2029	610	0.04	
£200,000 Delamare Finance 6.067% 19/02/2029	196	0.01	
€2,000,000 Deutsche Bahn Finance Var. Rate 0.95% Perpetual	1,623	0.12	
€2,000,000 Deutsche Bahn Finance Var. Rate 1.6% Perpetual	1,395	0.10	
£1,200,000 Deutsche Bank Var. Rate 6.125% 12/12/2030	1,137	0.08	
US\$8,892,000 Deutsche Telekom International Finance 8.75% 15/06/2030	8,707	0.63	
US\$1,500,000 Deutsche Telekom International Finance 9.25% 01/06/2032	1,567	0.11	
£1,056,000 DWR Cymru Financing 2.375% 31/03/2034	782	0.06	
£300,000 E.ON International Finance 4.75% 31/01/2034	282	0.02	
£1,000,000 E.ON International Finance 6.25% 03/06/2030	1,050	0.08	
US\$600,000 Électricité de France 4.75% 13/10/2035	433	0.03	
£300,000 Électricité de France 5.125% 22/09/2050	255	0.02	
£300,000 Électricité de France 6% 22/01/2114	274	0.02	
US\$1,000,000 Électricité de France 5.6% 27/01/2040	770	0.06	
US\$9,000,000 Électricité de France 6% 22/01/2114	6,822	0.49	
£2,900,000 Électricité de France 6% 23/01/2114	2,641	0.19	
£500,000 Électricité de France 6.125% 02/06/2034	508	0.04	
€2,077,000 EnBW International Finance 4% 24/01/2035	1,802	0.13	
€1,352,000 Enel Var. Rate 1.375% Perpetual	953	0.07	
US\$3,000,000 Enel Finance International 3.5% 06/04/2028	2,211	0.16	
US\$1,000,000 Enel Finance International 5% 15/06/2032	750	0.05	
US\$1,000,000 Enel Finance International 5.5% 15/06/2052	718	0.05	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
US\$1,968,000 Enel Finance International 7.5% 14/10/2032	1,760	0.13	
US\$3,000,000 Enel Finance International 7.75% 14/10/2052	2,800	0.20	
€4,903,000 Engie 5.95% 16/03/2111	4,903	0.36	
€2,000,000 Eni Var. Rate 2.625% Perpetual	1,616	0.12	
€3,500,000 Eni Var. Rate 2.75% Perpetual	2,363	0.17	
€178,000 Eni Var. Rate 3.375% Perpetual	130	0.01	
US\$3,500,000 Eni 4.75% 12/09/2028	2,779	0.20	
£1,243,000 ENW Finance 4.893% 24/11/2032	1,215	0.09	
US\$1,500,000 Expedia 3.25% 15/02/2030	1,040	0.08	
US\$4,218,000 Fresenius Medical Care US Finance III 3.75% 15/06/2029	2,937	0.21	
£5,300,000 Gatwick Funding 3.125% 28/09/2039	3,783	0.27	
£1,388,000 Gatwick Funding 3.25% 26/02/2048	930	0.07	
£500,000 Gatwick Funding 4.625% 27/03/2034	460	0.03	
£3,000,000 Gatwick Funding 5.75% 23/01/2037	2,953	0.21	
US\$4,800,000 General Motors 6.6% 01/04/2036	3,942	0.29	
US\$1,000,000 General Motors Financial 3.6% 21/06/2030	699	0.05	
£2,000,000 Goldman Sachs 3.125% 25/07/2029	1,737	0.13	
£4,000,000 Goldman Sachs Var. Rate 3.625% 29/10/2029	3,596	0.26	
€557,000 Goldman Sachs 4% 21/09/2029	479	0.03	
US\$1,173,000 Goldman Sachs FRN 6.6568% 15/03/2028	948	0.07	
£1,891,000 Grainger 3% 03/07/2030	1,494	0.11	
£885,066 Greene King Finance 3.593% 15/03/2035	744	0.05	
£169,617 Greene King Finance 4.0643% 15/03/2035	145	0.01	
£3,500,000 H.J. Heinz Finance 6.25% 18/02/2030	3,603	0.26	
£2,163,000 Hammerson 3.5% 27/10/2025	1,896	0.14	
£533,000 Hammerson 6% 23/02/2026	489	0.04	
£788,000 Hammerson 7.25% 21/04/2028	727	0.05	
€501,000 Hammerson Ireland Finance 1.75% 03/06/2027	352	0.03	
US\$2,000,000 HCA 3.5% 01/09/2030	1,427	0.10	
US\$2,000,000 HCA 5.5% 15/06/2047	1,491	0.11	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£3,000,000 Heathrow Funding 2.75% 13/10/2029	2,566	0.19	
£1,000,000 Heathrow Funding 4.625% 31/10/2046	854	0.06	
£1,000,000 Heathrow Funding 5.875% 13/05/2041	1,021	0.07	
£1,000,000 Heathrow Funding 6.75% 03/12/2026	1,037	0.08	
£750,000 Heathrow Funding 7.075% 04/08/2028	799	0.06	
£1,000,000 Holcim Sterling Finance 3% 12/05/2032	826	0.06	
US\$5,000,000 HP 4.2% 15/04/2032	3,602	0.26	
£4,000,000 HSBC Var. Rate 8.201% 16/11/2034	4,201	0.30	
€3,800,000 Iberdrola International Var. Rate 1.874% Perpetual	2,995	0.22	
€1,500,000 Iberdrola International Var. Rate 2.25% Perpetual	1,072	0.08	
£12,000,000 Imperial Brands Finance 4.875% 07/06/2032	10,339	0.75	
€4,500,000 ING Var. Rate 0.25% 18/02/2029	3,200	0.23	
€2,500,000 ING Var. Rate 0.375% 29/09/2028	1,826	0.13	
€3,000,000 ING Var. Rate 1% 13/11/2030	2,344	0.17	
€2,800,000 ING Var. Rate 1% 16/11/2032	2,017	0.15	
€2,000,000 ING Var. Rate 1.625% 26/09/2029	1,653	0.12	
€4,000,000 ING Var. Rate 2.125% 26/05/2031	3,202	0.23	
US\$701,000 ING Var. Rate 4.252% 28/03/2033	512	0.04	
£1,397,000 InterContinental Hotels 2.125% 24/08/2026	1,253	0.09	
£3,000,000 InterContinental Hotels 3.375% 08/10/2028	2,682	0.19	
£750,000 Intesa Sanpaolo 2.625% 11/03/2036	517	0.04	
US\$2,500,000 Intesa Sanpaolo Var. Rate 8.248% 21/11/2033	2,093	0.15	
€18,500,000 Italy (Republic of) 2.45% 01/09/2033	13,966	1.01	
US\$257,000 Italy (Republic of) 2.875% 17/10/2029	177	0.01	
US\$9,000,000 Italy (Republic of) 3.875% 06/05/2051	5,158	0.37	
US\$3,000,000 JPMorgan Chase Var. Rate 5.717% 14/09/2033	2,457	0.18	
€3,400,000 KBC Var. Rate 0.625% 07/12/2031	2,555	0.19	
£2,000,000 KPN 5.75% 17/09/2029	2,022	0.15	
US\$4,000,000 Lear 5.25% 15/05/2049	2,811	0.20	
£1,500,000 Leeds Building Society Var. Rate 3.75% 25/04/2029	1,315	0.10	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£5,800,000 Legal & General Var. Rate 3.75% 26/11/2049	4,850	0.35	
£6,500,000 Legal & General Var. Rate 5.125% 14/11/2048	6,085	0.44	
£200,000 Lloyds Bank 11.75% Perpetual	282	0.02	
£3,000,000 Lloyds Banking Var. Rate 1.985% 15/12/2031	2,551	0.18	
£9,500,000 Lloyds Banking Var. Rate 2.707% 03/12/2035	7,302	0.53	
£1,606,000 Lloyds Banking Var. Rate 6.625% 02/06/2033	1,602	0.12	
US\$1,268,000 Lloyds Banking Var. Rate 7.953% 15/11/2033	1,117	0.08	
£625,000 Logicor Financing 2.75% 15/01/2030	482	0.04	
US\$1,455,000 Lowe's 3.75% 01/04/2032	1,071	0.08	
US\$1,600,000 Lowe's 4.45% 01/04/2062	1,038	0.08	
US\$1,026,000 LYB Finance 8.1% 15/03/2027	911	0.07	
£500,000 Manchester Airport Group Funding 2.875% 31/03/2039	360	0.03	
£1,000,000 Manchester Airport Group Funding 2.875% 30/09/2044	664	0.05	
£4,000,000 Manchester Airport Group Funding 4.75% 31/03/2034	3,823	0.28	
€5,000,000 Mexico (United Mexican States) 2.125% 25/10/2051	2,446	0.18	
€7,500,000 Mexico (United Mexican States) 4% 15/03/2115	4,645	0.34	
£14,000,000 Mexico (United Mexican States) 5.625% 19/03/2114	10,487	0.76	
£115,547 Mitchells & Butlers Finance FRN 4.7264% 15/12/2030	106	0.01	
£1,693,072 Mitchells & Butlers Finance FRN 4.9957% 15/12/2033	1,455	0.11	
US\$1,447,568 Mitchells & Butlers Finance FRN 5.3163% 15/12/2030	1,055	0.08	
US\$4,000,000 Molson Coors Beverage 4.2% 15/07/2046	2,628	0.19	
US\$500,000 Molson Coors Beverage 5% 01/05/2042	376	0.03	
£1,404,000 Mondelēz International 3.875% 06/03/2045	1,087	0.08	
US\$6,000,000 Morgan Stanley Var. Rate 2.484% 16/09/2036	3,613	0.26	
US\$5,000,000 National Australia Bank Var. Rate 3.347% 12/01/2037	3,227	0.23	
£1,750,000 National Gas Transmission 1.375% 07/02/2031	1,299	0.09	
£465,000 National Gas Transmission 5.75% 05/04/2035	464	0.03	
€1,517,000 National Grid 0.75% 01/09/2033	948	0.07	
£408,000 National Grid Electricity Distribution West Midlands 5.75% 16/04/2032	420	0.03	
£1,500,000 National Grid Gas 1.125% 14/01/2033	1,001	0.07	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£1,000,000 National Grid Gas 1.625% 14/01/2043	521	0.04	
US\$2,250,000 Nationwide Building Society Var. Rate 2.972% 16/02/2028	1,626	0.12	
£890,000 Nationwide Building Society Var. Rate 6.178% 07/12/2027	899	0.07	
€3,080,000 NatWest Var. Rate 0.67% 14/09/2029	2,179	0.16	
£2,435,000 NatWest Var. Rate 2.057% 09/11/2028	2,077	0.15	
£3,658,000 NatWest Var. Rate 3.619% 29/03/2029	3,290	0.24	
£1,250,000 Next 3.625% 18/05/2028	1,153	0.08	
£1,500,000 Next 4.375% 02/10/2026	1,455	0.11	
£518,000 NIE Finance 5.875% 01/12/2032	544	0.04	
€4,076,000 NN Var. Rate 5.25% 01/03/2043	3,368	0.24	
£1,658,000 Nordea Bank Var. Rate 1.625% 09/12/2032	1,340	0.10	
US\$6,000,000 Oracle 5.55% 06/02/2053	4,557	0.33	
€2,000,000 Orange Var. Rate 1.375% Perpetual	1,388	0.10	
€2,000,000 Orange Var. Rate 1.75% Perpetual	1,465	0.11	
£1,752,000 Ørsted 5.125% 13/09/2034	1,730	0.13	
US\$2,000,000 Panama (Republic of) 6.4% 14/02/2035	1,666	0.12	
£2,218,000 Pearson Funding 3.75% 04/06/2030	1,986	0.14	
€3,825,000 Prosus 1.288% 13/07/2029	2,551	0.18	
€4,400,000 Quadient 2.25% 03/02/2025	3,610	0.26	
€1,200,000 Raiffeisen Bank International Var. Rate 7.375% 20/12/2032	1,007	0.07	
€2,500,000 Romania (Republic of) 1.75% 13/07/2030	1,603	0.12	
€2,500,000 Romania (Republic of) 2.875% 13/04/2042	1,282	0.09	
€1,000,000 Romania (Republic of) 3.375% 28/01/2050	528	0.04	
€1,800,000 Sampo Var. Rate 2.5% 03/09/2052	1,208	0.09	
US\$500,000 Santander Var. Rate 1.532% 21/08/2026	358	0.03	
£4,000,000 Santander Var. Rate 2.421% 17/01/2029	3,411	0.25	
£858,000 Severn Trent Utilities Finance 4.625% 30/11/2034	807	0.06	
£705,000 Severn Trent Utilities Finance 5.25% 04/04/2036	697	0.05	
US\$1,347,000 SK Hynix 2.375% 19/01/2031	810	0.06	
€3,500,000 Société Générale Var. Rate 0.5% 12/06/2029	2,481	0.18	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
€1,500,000 Société Générale Var. Rate 1% 24/11/2030	1,156	0.08	
US\$2,000,000 Société Générale Var. Rate 2.226% 21/01/2026	1,488	0.11	
US\$1,500,000 Société Générale Var. Rate 2.797% 19/01/2028	1,065	0.08	
US\$4,719,000 Société Générale Var. Rate 3.337% 21/01/2033	3,037	0.22	
US\$2,500,000 Société Générale Var. Rate (non-public offering) 3.653% 08/07/2035	1,567	0.11	
US\$500,000 Société Générale Var. Rate 3.653% 08/07/2035	313	0.02	
US\$820,000 Société Générale 4.25% 19/08/2026	603	0.04	
US\$1,671,000 Société Générale 4.75% 24/11/2025	1,269	0.09	
€2,000,000 Southern Var. Rate 1.875% 15/09/2081	1,384	0.10	
£2,695,000 Southern Water Services Finance 2.375% 28/05/2028	2,326	0.17	
£2,000,000 Southern Water Services Finance 3% 28/05/2037	1,463	0.11	
€16,000,000 Spain (Kingdom of) 0% 31/01/2028	12,176	0.88	
€14,000,000 Spain (Kingdom of) 1.45% 31/10/2071	5,919	0.43	
€15,000,000 Spain (Kingdom of) 2.35% 30/07/2033	12,021	0.87	
€1,000,000 SSE Var. Rate 4% Perpetual	790	0.06	
US\$1,842,000 Standard Chartered Var. Rate 6.301% 09/01/2029	1,499	0.11	
US\$2,591,000 Stora Enso 7.25% 15/04/2036	2,238	0.16	
€1,260,000 Swedbank Var. Rate 3.625% 23/08/2032	1,021	0.07	
£1,384,000 Swedbank Var. Rate 7.272% 15/11/2032	1,413	0.10	
€800,000 Swiss Re Finance Var. Rate 2.714% 04/06/2052	539	0.04	
US\$2,500,000 Telefónica Emisiones 5.213% 08/03/2047	1,751	0.13	
US\$1,500,000 Telefónica Emisiones 5.52% 01/03/2049	1,074	0.08	
US\$6,000,000 Telefónica Emisiones 7.045% 20/06/2036	5,305	0.38	
US\$500,000 Telefónica Europe 8.25% 15/09/2030	471	0.03	
£943,000 Telereal Securitisation Var. Rate 1.9632% 10/12/2033	841	0.06	
£1,199,000 Tesco Corporate Treasury Services 5.5% 27/02/2035	1,173	0.09	
£2,000,000 Thames Water Utilities Finance 2.625% 24/01/2032	1,620	0.12	
£1,000,000 Thames Water Utilities Finance 4.375% 03/07/2034	906	0.07	
£2,000,000 Thames Water Utilities Finance 5.125% 28/09/2037	1,867	0.14	
£5,000,000 Thames Water Utilities Finance 5.5% 11/02/2041	4,807	0.35	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£600,000 Thames Water Utilities Finance 6.5% 09/02/2032	639	0.05	
US\$3,000,000 T-Mobile USA 3.375% 15/04/2029	2,200	0.16	
US\$864,000 UPM-Kymmene 7.45% 26/11/2027	743	0.05	
US\$1,500,000 Verizon Communications 1.68% 30/10/2030	968	0.07	
US\$2,000,000 Verizon Communications 2.355% 15/03/2032	1,312	0.10	
US\$1,500,000 Verizon Communications 2.55% 21/03/2031	1,022	0.07	
US\$1,000,000 Verizon Communications 4.125% 16/03/2027	796	0.06	
US\$3,500,000 Verizon Communications 4.329% 21/09/2028	2,777	0.20	
US\$1,440,000 Volkswagen Group of America Finance 4.75% 13/11/2028	1,146	0.08	
£400,000 Volkswagen International Finance 3.375% 16/11/2026	372	0.03	
£3,000,000 Volkswagen International Finance 4.125% 17/11/2031	2,728	0.20	
€5,000,000 Volkswagen International Finance Var. Rate 4.375% Perpetual	3,661	0.27	
€2,500,000 Vonovia 1.625% 01/09/2051	991	0.07	
US\$3,500,000 Warnermedia 5.141% 15/03/2052	2,257	0.16	
US\$6,500,000 Warnermedia 5.391% 15/03/2062	4,182	0.30	
€6,000,000 Wells Fargo Var. Rate 1.741% 04/05/2030	4,529	0.33	
£5,750,000 Wells Fargo 2.125% 24/09/2031	4,475	0.32	
£1,000,000 Wells Fargo 2.5% 02/05/2029	842	0.06	
£3,502,000 Wells Fargo Var. Rate 3.473% 26/04/2028	3,201	0.23	
£1,080,000 Wells Fargo 3.5% 12/09/2029	957	0.07	
US\$500,000 Wells Fargo Var. Rate 4.611% 25/04/2053	351	0.03	
£1,000,000 Wells Fargo 4.875% 29/11/2035	882	0.06	
£275,000 Welltower 4.5% 01/12/2034	236	0.02	
£1,541,000 Welltower 4.8% 20/11/2028	1,457	0.11	
£878,000 Wessex Water Services Finance 5.125% 31/10/2032	857	0.06	
US\$2,532,000 Westpac Banking Var. Rate 3.02% 18/11/2036	1,583	0.11	
US\$290,000 Weyerhaeuser REIT 7.375% 15/03/2032	266	0.02	
€500,000 WPC Eurobond 0.95% 01/06/2030	322	0.02	
€3,858,000 WPC Eurobond 1.35% 15/04/2028	2,783	0.20	
£1,000,000 WPP Finance 2013 2.875% 14/09/2046	604	0.04	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£4,000,000 WPP Finance 2017 3.75% 19/05/2032	3,462	0.25	
£1,620,000 Yorkshire Building Society Var. Rate 1.5% 15/09/2029	1,285	0.09	
£679,000 Yorkshire Building Society Var. Rate 3% 18/04/2025	657	0.05	
£875,000 Yorkshire Water Finance 5.5% 28/04/2035	878	0.06	
	160,643	11.63	14.05
'BB' credit rated bonds			
€2,000,000 AIB Var. Rate 1.875% 19/11/2029	1,624	0.12	
€5,500,000 AIB Var. Rate 2.875% 30/05/2031	4,348	0.31	
€3,000,000 AT&T Var. Rate 2.875% Perpetual	2,437	0.18	
£1,752,000 B&M European Value Retail 4% 15/11/2028	1,462	0.11	
€5,000,000 Banco de Sabadell Var. Rate 0.875% 16/06/2028	3,556	0.26	
€3,400,000 Banco Santander Var. Rate 4.125% Perpetual	2,200	0.16	
€1,000,000 Banco Santander Var. Rate 4.75% Perpetual	690	0.05	
€4,400,000 Bank of Ireland Var. Rate 1.375% 11/08/2031	3,297	0.24	
€1,500,000 Barclays Var. Rate 1.125% 22/03/2031	1,130	0.08	
US\$750,000 Barclays Var. Rate 3.564% 23/09/2035	471	0.03	
£1,000,000 Barclays Var. Rate 8.407% 14/11/2032	1,029	0.07	
€684,000 Belden 3.375% 15/07/2027	550	0.04	
€1,080,000 Belden 3.875% 15/03/2028	877	0.06	
US\$500,000 BNP Paribas Var. Rate 4.5% Perpetual	294	0.02	
US\$2,000,000 BNP Paribas Var. Rate 4.625% Perpetual	1,171	0.08	
€2,000,000 BNP Paribas Var. Rate 7.375% Perpetual	1,655	0.12	
€1,800,000 CaixaBank Var. Rate 3.625% Perpetual	1,006	0.07	
€842,000 Canpack 2.375% 01/11/2027	600	0.04	
US\$2,000,000 Carnival 4% 01/08/2028	1,375	0.10	
€2,000,000 Cellnex Finance 2% 15/02/2033	1,338	0.10	
US\$2,000,000 Cellnex Finance 3.875% 07/07/2041	1,191	0.09	
US\$7,000,000 Charter Communications Operating 3.7% 01/04/2051	3,555	0.26	
US\$9,000,000 Charter Communications Operating 3.85% 01/04/2061	4,411	0.32	
US\$4,000,000 Charter Communications Operating 5.25% 01/04/2053	2,584	0.19	
US\$6,500,000 Colombia (Republic of) 5% 15/06/2045	3,629	0.26	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
£700,000 Commerzbank Var. Rate 8.625% 28/02/2033	698	0.05	
€2,000,000 Côte d'Ivoire (Republic of) 6.625% 22/03/2048	1,212	0.09	
£3,156,000 Coventry Building Society Var. Rate 6.875% Perpetual	2,745	0.20	
£950,000 Daily Mail & General Trust 6.375% 21/06/2027	859	0.06	
€584,000 Derichebourg 2.25% 15/07/2028	444	0.03	
€800,000 Deutsche Bank Var. Rate 4% 24/06/2032	604	0.04	
US\$1,662,000 DT Midstream 4.375% 15/06/2031	1,149	0.08	
US\$1,139,000 Ecopetrol 8.875% 13/01/2033	917	0.07	
€2,000,000 EDP - Energias de Portugal Var. Rate 1.875% 14/03/2082	1,299	0.09	
US\$888,158 Energean Israel Finance 5.375% 30/03/2028	641	0.05	
US\$1,600,000 EQM Midstream Partners 5.5% 15/07/2028	1,164	0.08	
€1,000,000 Eurofins Scientific Var. Rate 3.25% Perpetual	804	0.06	
€2,156,000 Fastighets Balder 1.875% 14/03/2025	1,675	0.12	
€1,486,000 Fastighets Balder 1.875% 23/01/2026	1,097	0.08	
US\$1,000,000 Ford Motor 4.75% 15/01/2043	596	0.04	
US\$1,144,000 Ford Motor 5.291% 08/12/2046	729	0.05	
£1,000,000 Ford Motor Credit 4.535% 06/03/2025	958	0.07	
US\$3,000,000 Ford Motor Credit 5.113% 03/05/2029	2,226	0.16	
€2,900,000 Iliad 1.875% 11/02/2028	2,134	0.15	
€2,500,000 Iliad 2.375% 17/06/2026	2,009	0.15	
€1,000,000 INEOS Quattro Finance 2 2.5% 15/01/2026	784	0.06	
US\$582,000 ING Var. Rate 4.875% Perpetual	347	0.02	
US\$494,000 Intesa Sanpaolo Var. Rate 4.198% 01/06/2032	282	0.02	
£485,000 Intesa Sanpaolo 5.148% 10/06/2030	394	0.03	
€2,563,000 Intesa Sanpaolo Var. Rate 6.375% Perpetual	1,916	0.14	
£1,713,000 Intesa Sanpaolo 8.505% 20/09/2032	1,675	0.12	
€1,300,000 Intrum 3.5% 15/07/2026	945	0.07	
£2,000,000 John Lewis 4.25% 18/12/2034	1,283	0.09	
US\$2,000,000 KB Home 4.8% 15/11/2029	1,460	0.11	
US\$2,348,000 KUO 5.75% 07/07/2027	1,712	0.12	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
€1,500,000 La Banque Postale Var. Rate 0.75% 02/08/2032	1,071	0.08	
£800,000 Lloyds Banking Var. Rate 5.125% Perpetual	706	0.05	
£5,600,000 Lloyds Banking Var. Rate 7.875% Perpetual	4,953	0.36	
€1,666,000 Macedonia (Govt. of) 1.625% 10/03/2028	1,156	0.08	
US\$2,075,000 Macy's Retail 5.875% 15/03/2030	1,472	0.11	
€2,300,000 Mahle 2.375% 14/05/2028	1,523	0.11	
£432,000 Marston's Issuer Var. Rate 5.1774% 15/07/2032	381	0.03	
US\$1,681,000 Millicom International Cellular 4.5% 27/04/2031	1,074	0.08	
US\$828,000 Millicom International Cellular 6.25% 25/03/2029	605	0.04	
£41,815 Mitchells & Butlers Finance 5.965% 15/12/2023	41	0.00	
£324,722 Mitchells & Butlers Finance 6.013% 15/12/2028	302	0.02	
US\$2,000,000 Morocco (Kingdom of) 4% 15/12/2050	1,096	0.08	
£3,000,000 Nationwide Building Society Var. Rate 5.75% Perpetual	2,389	0.17	
£1,106,000 Nationwide Building Society Var. Rate 5.875% Perpetual	985	0.07	
£3,800,000 NatWest Var. Rate 2.105% 28/11/2031	3,193	0.23	
US\$3,800,000 NatWest Var. Rate 3.032% 28/11/2035	2,312	0.17	
£1,669,000 NatWest Var. Rate 3.622% 14/08/2030	1,542	0.11	
US\$2,000,000 Paraguay (Republic of) 5.4% 30/03/2050	1,379	0.10	
US\$4,068,000 Pilgrim's Pride 3.5% 01/03/2032	2,638	0.19	
US\$2,686,000 Pilgrim's Pride 4.25% 15/04/2031	1,869	0.14	
US\$587,000 Pilgrim's Pride 5.875% 30/09/2027	469	0.03	
US\$2,636,000 Rand Parent 8.5% 15/02/2030	1,973	0.14	
€1,500,000 Repsol International Finance Var. Rate 3.75% Perpetual	1,238	0.09	
€7,000,000 Rolls-Royce 1.625% 09/05/2028	5,077	0.37	
€4,000,000 Serbia (Republic of) 1.65% 03/03/2033	2,310	0.17	
€3,500,000 Serbia (Republic of) 2.05% 23/09/2036	1,851	0.13	
€1,000,000 Solvay Finance Var. Rate 5.425% Perpetual	876	0.06	
€3,900,000 Solvay Finance Var. Rate 5.869% Perpetual	3,401	0.25	
US\$2,000,000 South Africa (Republic of) 5.75% 30/09/2049	1,179	0.09	
US\$1,110,000 Southwestern Energy 4.75% 01/02/2032	771	0.06	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
€400,000 Telefónica Europe Var. Rate 2.376% Perpetual	275	0.02	
€1,000,000 Telefónica Europe Var. Rate 2.88% Perpetual	728	0.05	
€3,000,000 Teva Pharmaceutical Finance Netherlands II 1.625% 15/10/2028	2,036	0.15	
£1,750,000 Time Warner Cable 5.75% 02/06/2031	1,679	0.12	
US\$5,250,000 UBS Var. Rate 4.375% Perpetual	2,894	0.21	
€400,000 UniCredit Var. Rate 2% 23/09/2029	324	0.02	
€7,000,000 UniCredit Var. Rate 2.731% 15/01/2032	5,222	0.38	
US\$775,000 United Airlines 4.625% 15/04/2029	552	0.04	
€3,402,000 Vmed O2 UK Financing I 3.25% 31/01/2031	2,423	0.18	
£5,000,000 Vmed O2 UK Financing I 4% 31/01/2029	4,119	0.30	
US\$2,468,000 Yum! Brands 4.625% 31/01/2032	1,812	0.13	
US\$1,635,000 Yum! Brands 5.375% 01/04/2032	1,254	0.09	
US\$1,727,000 Yum! Brands 6.875% 15/11/2037	1,463	0.11	
€2,300,000 ZF Europe Finance 2.5% 23/10/2027	1,755	0.13	
€2,000,000 ZF Europe Finance 3% 23/10/2029	1,474	0.11	
€1,000,000 ZF Finance 2.75% 25/05/2027	781	0.06	
€1,000,000 ZF Finance 3.75% 21/09/2028	782	0.06	
'B' credit rated bonds	42,581	3.08	4.07
€1,000,000 AIB Var. Rate 6.25% Perpetual	794	0.06	
€1,707,000 Altice France 4% 15/07/2029	1,121	0.08	
€4,800,000 Ardagh Packaging Finance 2.125% 15/08/2026	3,652	0.26	
€817,000 Avantor Funding 3.875% 15/07/2028	668	0.05	
€1,500,000 Bank of Ireland Var. Rate 7.5% Perpetual	1,262	0.09	
£1,346,000 Barclays Var. Rate 8.875% Perpetual	1,183	0.09	
£1,000,000 Bellis Acquisition 3.25% 16/02/2026	816	0.06	
€1,446,000 Cheplapharm Arzneimittel 4.375% 15/01/2028	1,178	0.08	
US\$867,000 Cheplapharm Arzneimittel 5.5% 15/01/2028	625	0.04	
US\$1,000,000 CHS 4.75% 15/02/2031	587	0.04	
£884,000 CPUK Finance 4.5% 28/08/2027	743	0.05	
US\$1,080,000 CSC 5.375% 01/02/2028	701	0.05	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'B' credit rated bonds (continued)			
US\$1,943,000 CSC 5.5% 15/04/2027	1,319	0.10	
€719,000 Cullinan 4.625% 15/10/2026	555	0.04	
£2,037,000 Deuce Finco 5.5% 15/06/2027	1,692	0.12	
US\$1,032,000 DISH DBS 5.25% 01/12/2026	644	0.05	
US\$1,032,000 DISH DBS 5.75% 01/12/2028	604	0.04	
US\$1,758,000 Dish Network 11.75% 15/11/2027	1,343	0.10	
€1,200,000 Dufry One 3.375% 15/04/2028	924	0.07	
€1,913,000 Eurobank Var. Rate 7% 26/01/2029	1,631	0.12	
€496,000 Gruenthal 3.625% 15/11/2026	411	0.03	
€1,106,000 Iliad 5.125% 15/10/2026	933	0.07	
€600,000 INEOS Quattro Finance 1 3.75% 15/07/2026	455	0.03	
€3,000,000 International Consolidated Airlines 3.75% 25/03/2029	2,176	0.16	
£3,000,000 NatWest Var. Rate 4.5% Perpetual	2,183	0.16	
US\$1,162,000 SCIH Salt 4.875% 01/05/2028	825	0.06	
£1,686,000 Sherwood Financing 6% 15/11/2026	1,387	0.10	
US\$2,000,000 Staples 7.5% 15/04/2026	1,398	0.10	
€8,000,000 Telecom Italia 5.25% 17/03/2055	5,656	0.41	
US\$500,000 Telecom Italia 7.721% 04/06/2038	372	0.03	
€500,000 Telecom Italia Finance 7.75% 24/01/2033	469	0.03	
€2,000,000 TI Automotive Finance 3.75% 15/04/2029	1,335	0.10	
€1,750,000 TK Elevator Midco 4.375% 15/07/2027	1,386	0.10	
US\$1,974,000 Vertiv 4.125% 15/11/2028	1,402	0.10	
US\$289,000 VTR Comunicaciones 5.125% 15/01/2028	151	0.01	
'CCC' credit rated bonds	7,431	0.54	0.46
US\$2,000,000 Altice France 6% 15/02/2028	1,005	0.07	
US\$1,012,000 Bausch Health 11% 30/09/2028	586	0.04	
US\$201,000 Bausch Health 14% 15/10/2030	90	0.01	
US\$1,700,000 CSC 5.75% 15/01/2030	710	0.05	
£3,155,319 Metrocentre Finance 8.75% 06/12/2023	1,347	0.10	
€127,850 Selecta 8% 01/04/2026	98	0.01	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt securities (continued)			
'CCC' credit rated bonds (continued)			
£1,162,235 SGS Finance 9% 17/03/2028	463	0.03	
€2,500,000 Sigma Holdco 5.75% 15/05/2026	1,744	0.13	
US\$1,144,000 Staples 10.75% 15/04/2027	656	0.05	
US\$1,000,000 Trivium Packaging Finance 8.5% 15/08/2027	732	0.05	
'C' credit rated bonds	607	0.05	0.00
US\$2,000,000 Bausch Health 5% 30/01/2028	607	0.05	
'D' credit rated bonds	670	0.05	0.11
£1,663,600 INTU Debenture 5.562% 31/12/2027	670	0.05	
Bonds with no credit rating	454	0.03	0.00
US\$570,000 1375209 BC 9% 30/01/2028	454	0.03	
ZAR2,678,858 K2016470219 South Africa 3% 31/12/2049 ^b	0	0.00	
US\$232,144 K2016470219 South Africa 3% 31/12/2049 ^b	0	0.00	
Debt derivatives	17,910	1.30	0.22
Credit default swaps	1,467	0.11	(0.64)
US\$5,387,000 Altria Dec 2026	(76)	(0.01)	
US\$980,392 American Airlines Jun 2027	(111)	(0.01)	
US\$16,000,000 Brazil (Republic of) Dec 2027	578	0.04	
US\$40,000,000 Markit CDX North American Investment Grade Series 37 5 Year Dec 2026	(423)	(0.03)	
US\$60,000,000 Markit CDX North American Investment Grade Series 38 5 Year Jun 2027	(628)	(0.04)	
US\$20,000,000 Markit CDX North American Investment Grade Series 39 5 Year Dec 2027	(178)	(0.01)	
US\$20,000,000 Markit CDX North American Investment Grade Series 40 5 Year Jun 2028	(173)	(0.01)	
€110,000,000 Markit iTraxx Europe Crossover Series 39 V1 5 Year Jun 2028	1,940	0.14	
€20,000,000 Markit iTraxx Europe Senior Financial Series 39 V1 5 Year Jun 2028	2	0.00	
€15,000,000 Markit iTraxx Europe Subordinated Financials Index Series 39 V1 5 Year Jun 2028	536	0.04	
Interest rate swaps	12,548	0.91	0.15
£4,000,000 Pay 1.2058% Receive VAR Feb 2052	1,534	0.11	
US\$8,000,000 Pay 1.3817% Receive VAR Sep 2051	2,079	0.15	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt derivatives (continued)			
Interest rate swaps (continued)			
US\$8,000,000 Pay 1.4177% Receive VAR Sep 2051	2,036	0.15	
US\$5,000,000 Pay 1.4622% Receive VAR Nov 2051	1,248	0.09	
US\$8,000,000 Pay 1.4817% Receive VAR Nov 2051	1,945	0.14	
US\$8,000,000 Pay 1.4837% Receive VAR Sep 2051	1,954	0.14	
US\$15,000,000 Pay 1.523% Receive VAR Nov 2051	3,605	0.26	
US\$10,000,000 Pay 1.5577% Receive VAR Nov 2051	2,347	0.17	
US\$10,000,000 Pay 1.5707% Receive VAR Nov 2051	2,327	0.17	
US\$10,000,000 Pay 1.7577% Receive VAR Mar 2052	1,938	0.14	
US\$18,000,000 Pay 1.992% Receive VAR Mar 2051	2,819	0.21	
€20,000,000 Pay 2.33% Receive VAR Dec 2052	825	0.06	
€25,500,000 Pay 2.718% Receive VAR Oct 2052	(742)	(0.05)	
£6,779,661 Pay 2.881% Receive VAR Nov 2052	523	0.04	
£6,779,661 Pay 2.907% Receive VAR Nov 2052	490	0.04	
£12,881,356 Pay 2.92% Receive VAR Nov 2052	898	0.07	
£6,779,661 Pay 2.925% Receive VAR Nov 2052	466	0.03	
£6,779,661 Pay 2.937% Receive VAR Nov 2052	451	0.03	
US\$17,500,000 Pay 3.0565% Receive VAR Jan 2053	(1,331)	(0.10)	
€20,000,000 Pay 3.235% Receive VAR Feb 2053	(1,069)	(0.08)	
US\$145,000,000 Pay 3.363% Receive VAR Jan 2053	714	0.05	
US\$25,500,000 Pay 3.363% Receive VAR Jan 2053	631	0.05	
€39,500,000 Pay 3.395% Receive VAR Jan 2053	(985)	(0.07)	
£5,000,000 Pay 3.549% Receive VAR Feb 2053	(248)	(0.02)	
€120,000,000 Pay 5% Receive VAR Dec 2027	(511)	(0.04)	
€8,000,000 Pay VAR Receive 1.3078% Apr 2032	(931)	(0.07)	
€20,000,000 Pay VAR Receive 1.5343% Aug 2027	(1,071)	(0.08)	
€7,500,000 Pay VAR Receive 1.5673% Apr 2032	(732)	(0.05)	
€8,000,000 Pay VAR Receive 1.5708% Apr 2032	(778)	(0.06)	
€5,000,000 Pay VAR Receive 1.6363% Apr 2032	(462)	(0.03)	
€5,000,000 Pay VAR Receive 1.7168% May 2032	(431)	(0.03)	
€7,500,000 Pay VAR Receive 1.7378% May 2032	(635)	(0.05)	

Portfolio statement

Investments (continued)

Holding	as at 31.03.23 £'000	as at 31.03.23 %	as at 30.09.22 %
Fixed income (continued)			
Debt derivatives (continued)			
Interest rate swaps (continued)			
€8,000,000 Pay VAR Receive 1.7623% May 2032	(663)	(0.05)	
€25,000,000 Pay VAR Receive 2.093% Jun 2032	(1,462)	(0.10)	
€70,000,000 Pay VAR Receive 2.1783% Jul 2032	(3,676)	(0.27)	
€17,500,000 Pay VAR Receive 2.5888% Nov 2027	(364)	(0.03)	
€10,000,000 Pay VAR Receive 2.6008% Jun 2032	(191)	(0.01)	
Interest rate futures	3,895	0.28	0.71
850 10 Year US Treasury Note Jun 2023	2,295	0.16	
(50) 30 Year Euro Buxl Bond Jun 2023	229	0.02	
351 Euro-Btp Jun 2023	1,331	0.10	
202 Euro-Oat Jun 2023	752	0.05	
(420) Long Gilt Jun 2023	(309)	(0.02)	
350 US Ultra Bond Jun 2023	(403)	(0.03)	
Currency	16,323	1.18	(4.04)
Forward currency contracts	16,323	1.18	(4.04)
€26,997,133 Bought for £23,758,722 (expires 19.04.23)	(32)	0.00	
€(534,895,837) Sold for £473,897,780 (expires 19.04.23)	3,803	0.27	
CHF700,259 Bought for £627,285 (expires 19.04.23)	(10)	0.00	
CHF(5,508,643) Sold for £5,000,504 (expires 19.04.23)	143	0.01	
US\$22,842,648 Bought for £18,561,138 (expires 19.04.23)	(109)	(0.01)	
US\$(602,162,936) Sold for £498,955,606 (expires 19.04.23)	12,528	0.91	
Total portfolio	1,296,369	93.85	89.51
Net other assets/(liabilities)	84,975	6.15	10.49
Net assets attributable to shareholders	1,381,344	100.00	100.00

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

^a Suspended/delisted.

^b Defaulted bond.

Portfolio statement

Top ten portfolio transactions for the six months to 31 March 2023

Largest purchases	£'000
France (Republic of) 1.25% 25/05/2034	58,658
UK Treasury 0.625% 22/10/2050	33,057
US Treasury 1.625% 15/11/2050	23,788
US Treasury 2.375% 15/05/2029	23,142
US Treasury 2.75% 31/07/2027	13,541
US Treasury 2.125% 15/05/2025	13,528
Italy (Republic of) 2.45% 01/09/2033	13,510
UK Treasury 4.25% 07/12/2046	12,758
Germany (Federal Republic of) 1% 15/08/2025	12,731
Spain (Kingdom of) 0% 31/01/2028	12,342
Other purchases	272,112
Total purchases	489,167

Largest sales	£'000
US Treasury 2.25% 15/05/2041	31,628
US Treasury 0.75% 31/03/2026	29,658
US Treasury 3.625% 15/08/2043	29,290
US Treasury 1.5% 15/02/2025	27,584
US Treasury 2.25% 15/11/2027	23,058
US Treasury 2.375% 15/05/2029	22,785
France (Republic of) 1.5% 25/05/2050	16,998
US Treasury 2.25% 15/11/2025	15,739
US Treasury 2.125% 15/05/2025	13,317
US Treasury 2.75% 31/07/2027	12,602
Other sales	270,052
Total sales	492,711

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	+9.3	+2.7	+0.2	+2.1
Class 'A' Accumulation	+9.3	+2.7	+0.2	+2.1
Class 'I' Income	+9.6	+3.1	+0.7	+2.6
Class 'I' Accumulation	+9.6	+3.1	+0.7	+2.6
Class 'J' Income	+9.6	+3.2	n/a	n/a
Class 'J' Accumulation	+9.6	+3.2	n/a	n/a
Class 'PP' Income	+9.6	+3.2	n/a	n/a
Class 'PP' Accumulation	+9.6	+3.2	n/a	n/a
Class 'R' Income	+9.4	+2.9	+0.4	+2.3
Class 'R' Accumulation	+9.4	+2.8	+0.4	+2.3
Benchmark	+7.2	+1.6	+0.9	+2.2

^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 2006.

Change in NAV per share	Six months to 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	120.69	150.05	141.57
Return before operating charges	11.90	(23.16)	13.11
Operating charges	(0.66)	(1.43)	(1.71)
Return after operating charges	11.24	(24.59)	11.40
Distributions	(3.02)	(4.77)	(2.92)
Closing NAV	128.91	120.69	150.05
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	1.03	1.03	1.15
Return after charges	+9.31	-16.39	+8.05
Other information			
Closing NAV (£'000)	70,224	77,003	90,238
Number of shares	54,474,913	63,804,491	60,139,435
Highest share price (UK p)	136.00	150.56	152.13
Lowest share price (UK p)	119.08	122.50	142.31

Sterling Class 'A' Accumulation share performance

The share class was launched on 8 December 2006.

Change in NAV per share	Six months to 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	194.50	233.02	215.64
Return before operating charges	19.17	(36.27)	20.00
Operating charges	(1.07)	(2.25)	(2.62)
Return after operating charges	18.10	(38.52)	17.38
Distributions	(3.79)	(5.21)	(1.87)
Retained distributions	3.79	5.21	1.87
Closing NAV	212.60	194.50	233.02
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.01	0.02
Dilution adjustments	0.00	0.00	(0.01)
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	1.03	1.03	1.15
Return after charges	+9.31	-16.53	+8.06
Other information			
Closing NAV (£'000)	223,302	232,775	306,085
Number of shares	105,034,190	119,679,910	131,354,443
Highest share price (UK p)	219.17	233.82	233.82
Lowest share price (UK p)	191.91	192.72	216.76

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 8 December 2006.

Change in NAV per share	Six months to 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	124.27	153.88	144.55
Return before operating charges	12.27	(23.81)	13.40
Operating charges	(0.42)	(0.90)	(1.08)
Return after operating charges	11.85	(24.71)	12.32
Distributions	(3.11)	(4.90)	(2.99)
Closing NAV	133.01	124.27	153.88
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.63	0.62	0.71
Return after charges	+9.54	-16.06	+8.52
Other information			
Closing NAV (£'000)	319,937	316,217	460,078
Number of shares	240,541,858	254,458,005	298,981,262
Highest share price (UK p)	140.24	154.42	156.00
Lowest share price (UK p)	122.64	126.13	145.31

Sterling Class 'I' Accumulation share performance

The share class was launched on 8 December 2006.

Change in NAV per share	Six months to 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	207.62	247.75	228.27
Return before operating charges	20.47	(38.67)	21.20
Operating charges	(0.70)	(1.46)	(1.72)
Return after operating charges	19.77	(40.13)	19.48
Distributions	(4.49)	(6.49)	(3.05)
Retained distributions	4.49	6.49	3.05
Closing NAV	227.39	207.62	247.75
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.01	0.02
Dilution adjustments	0.00	0.00	(0.01)
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	0.63	0.62	0.71
Return after charges	+9.52	-16.20	+8.53
Other information			
Closing NAV (£'000)	564,556	579,524	801,025
Number of shares	248,272,547	279,129,343	323,322,502
Highest share price (UK p)	234.28	248.62	248.58
Lowest share price (UK p)	204.88	205.72	229.46

Financial highlights

Sterling Class 'J' Income share performance

The share class was launched on 18 January 2019.

Change in NAV per share	Six months to 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	85.77	106.21	99.71
Return before operating charges	8.47	(16.44)	9.25
Operating charges	(0.29)	(0.62)	(0.69)
Return after operating charges	8.18	(17.06)	8.56
Distributions	(2.15)	(3.38)	(2.06)
Closing NAV	91.80	85.77	106.21
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.63	0.62	0.66
Return after charges	+9.54	-16.06	+8.58
Other information			
Closing NAV (£'000)	9,170	11,114	19,477
Number of shares	9,988,790	12,956,895	18,338,400
Highest share price (UK p)	96.79	106.58	107.67
Lowest share price (UK p)	84.65	87.06	100.24

Sterling Class 'J' Accumulation share performance

The share class was launched on 18 January 2019.

Change in NAV per share	Six months to 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	96.22	114.82	105.73
Return before operating charges	9.49	(17.92)	9.82
Operating charges	(0.32)	(0.68)	(0.73)
Return after operating charges	9.17	(18.60)	9.09
Distributions	(2.08)	(3.01)	(1.47)
Retained distributions	2.08	3.01	1.47
Closing NAV	105.39	96.22	114.82
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.63	0.62	0.65
Return after charges	+9.53	-16.20	+8.60
Other information			
Closing NAV (£'000)	670	710	1,187
Number of shares	635,702	738,168	1,033,968
Highest share price (UK p)	108.58	115.22	115.20
Lowest share price (UK p)	94.95	95.34	106.28

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 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	83.63	103.45	97.06
Return before operating charges	8.25	(16.01)	9.00
Operating charges	(0.24)	(0.51)	(0.60)
Return after operating charges	8.01	(16.52)	8.40
Distributions	(2.09)	(3.30)	(2.01)
Closing NAV	89.55	83.63	103.45
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.53	0.53	0.59
Return after charges	+9.58	-15.97	+8.65
Other information			
Closing NAV (£'000)	88,750	82,983	97,840
Number of shares	99,102,593	99,226,096	94,574,689
Highest share price (UK p)	94.41	103.82	104.87
Lowest share price (UK p)	82.53	84.88	97.57

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Six months to 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	93.59	111.56	102.67
Return before operating charges	9.23	(17.42)	9.53
Operating charges	(0.27)	(0.55)	(0.64)
Return after operating charges	8.96	(17.97)	8.89
Distributions	(2.08)	(3.03)	(1.50)
Retained distributions	2.08	3.03	1.50
Closing NAV	102.55	93.59	111.56
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.53	0.52	0.59
Return after charges	+9.57	-16.11	+8.66
Other information			
Closing NAV (£'000)	95,083	53,067	72,856
Number of shares	92,716,953	56,703,449	65,305,097
Highest share price (UK p)	105.64	111.96	111.93
Lowest share price (UK p)	92.35	92.73	103.20

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 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	95.10	118.06	111.17
Return before operating charges	9.39	(18.24)	10.31
Operating charges	(0.45)	(0.97)	(1.12)
Return after operating charges	8.94	(19.21)	9.19
Distributions	(2.38)	(3.75)	(2.30)
Closing NAV	101.66	95.10	118.06
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.88	0.87	0.95
Return after charges	+9.40	-16.27	+8.27
Other information			
Closing NAV (£'000)	3,283	3,060	4,225
Number of shares	3,229,067	3,217,658	3,578,412
Highest share price (UK p)	107.22	118.47	119.69
Lowest share price (UK p)	93.84	96.53	111.76

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 31.03.23 UK p	Year to 30.09.22 UK p	Year to 30.09.21 UK p
Opening NAV	124.02	148.36	137.04
Return before operating charges	12.22	(23.12)	12.71
Operating charges	(0.58)	(1.22)	(1.39)
Return after operating charges	11.64	(24.34)	11.32
Distributions	(2.52)	(3.53)	(1.47)
Retained distributions	2.52	3.53	1.47
Closing NAV	135.66	124.02	148.36
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.88	0.87	0.95
Return after charges	+9.39	-16.41	+8.26
Other information			
Closing NAV (£'000)	6,369	6,752	9,082
Number of shares	4,694,719	5,444,257	6,121,703
Highest share price (UK p)	139.82	148.87	148.86
Lowest share price (UK p)	122.37	122.88	137.75

Financial statements and notes

Financial statements

Statement of total return

for the six months to 31 March	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		97,980		(117,554)
Revenue	32,832		23,601	
Expenses	(4,962)		(6,546)	
Interest payable and similar charges	(7)		(31)	
Net revenue/(expense) before taxation	27,863		17,024	
Taxation	0		(87)	
Net revenue/(expense) after taxation		27,863		16,937
Total return before distributions		125,843		(100,617)
Distributions		(29,577)		(18,756)
Change in net assets attributable to shareholders from investment activities		96,266		(119,373)

Statement of change in net assets attributable to shareholders

for the six months to 31 March	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,363,205		1,934,975
Amounts received on issue of shares	47,012		49,541	
Amounts paid on cancellation of shares	(142,776)		(162,367)	
		(95,764)		(112,826)
Dilution adjustments		442		348
Change in net assets attributable to shareholders from investment activities (see above)		96,266		(119,373)
Retained distributions on Accumulation shares		17,195		10,109
Closing net assets attributable to shareholders		1,381,344		1,713,233

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	31 March 2023 £'000	30 September 2022 £'000
Assets		
Fixed assets		
Investments	1,315,103	1,331,553
Current assets		
Debtors	25,002	37,242
Cash and bank balances	68,850	109,733
Cash equivalents	41,221	37,288
Total assets	1,450,176	1,515,816
Liabilities		
Investment liabilities	(18,734)	(111,301)
Creditors		
Overdrawn positions at futures clearing houses and collateral manager	(20,371)	(14,229)
Distribution payable	(11,487)	(11,947)
Other creditors	(18,240)	(15,134)
Total liabilities	(68,832)	(152,611)
Net assets attributable to shareholders	1,381,344	1,363,205

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 4.

Distribution policy

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

Other regulatory disclosures

Swiss Investor Information

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

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

Glossary

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

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

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

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

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

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

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

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

Bunds Fixed income securities issued by the German government.

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

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

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

Cash equivalents Deposits or investments with similar characteristics to cash.

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.

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