

M&G Investment Funds (2)



Contents

Introduction	Page 1
Company Information ^[a]	Page 1
For European Investors	Page 2
Authorised Corporate Director's Report ^[a]	Page 3
Aggregated Financial Statements (unaudited)	Page 4
Directors' Statement	Page 4
Investment Report ^[a] and Financial Statements for:	
M&G Extra Income Fund	Page 5
M&G Gilt & Fixed Interest Income Fund	Page 13
M&G High Yield Corporate Bond Fund	Page 17
M&G Index-Linked Bond Fund	Page 25
M&G Index Tracker Fund	Page 29
M&G Short Dated Corporate Bond Fund	Page 39
M&G UK Growth Fund	Page 47
Further Information ^[a]	Page 53
Liquidity	Page 53
Dilution	Page 53
The EU Savings Directive	Page 53
Other	Page 53
Portfolio Turnover Rates	Page 53
Total Expense Ratios	Page 53

^[a] Collectively, these comprise the Authorised Corporate Director's Report.

Introduction

COMPANY INFORMATION

Company

M&G Investment Funds (2)

Registered Office

Laurence Pountney Hill, London EC4R 0HH, UK

Authorised Corporate Director (ACD)

M&G Securities Limited,
Laurence Pountney Hill, London EC4R 0HH, UK
Telephone: 0800 390 390 (UK only)

(Authorised and regulated by the Financial Conduct Authority)

Directors of the ACD

W J Nott (Chief Executive),
G N Cotton, P R Jelfs, M Lewis, G W MacDowall, L J Mumford

Investment Manager

M&G Investment Management Limited,
Laurence Pountney Hill, London EC4R 0HH, UK
Telephone: +44 (0)20 7626 4588

(Authorised and regulated by the Financial Conduct Authority)

Fund managers

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

M&G Extra Income Fund

Richard Hughes

M&G Gilt & Fixed Interest Income Fund

Jim Leaviss

M&G High Yield Corporate Bond Fund

Stefan Isaacs

M&G Index-Linked Bond Fund

Mike Riddell

M&G Index Tracker Fund

Richard O'Connor

M&G Short Dated Corporate Bond Fund

Matthew Russell

At the start of the review period Ben Lord was the fund manager.

M&G UK Growth Fund

Mike Felton

Registrar

International Financial Data Services (UK) Limited,
IFDS House, St. Nicholas Lane, Basildon, Essex SS15 5FS, UK
(Authorised and regulated by the Financial Conduct Authority)

Depository

National Westminster Bank Plc, Trustee & Depository Services,
Younger Building, 3 Redheughs Avenue, Edinburgh EH12 9RH, UK
(Authorised and regulated by the Financial Conduct Authority)

Independent Auditors

PricewaterhouseCoopers LLP,
7 More London Riverside, London SE1 2RT, UK

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.

M&G is a member of the Investment Management Association and of the Tax Incentivised Savings Association.

The Instrument of Incorporation can be inspected at our offices or at the office of the Depository.

Introduction

FOR EUROPEAN INVESTORS

The Prospectus, Instrument of Incorporation, Key Investor Information Documents as well as the latest Annual or Interim Investment Report and Financial Statements are available free of charge on request from the following addresses:

Customer Services and Administration for European Clients including the Netherlands, Norway and Finland:

M&G International Investments Limited,
mainBuilding, Taunusanlage 19, 60325 Frankfurt am Main, Germany
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: +49 69 1338 6767
Email: iocs@mandg.co.uk

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.

Austrian Paying and Information Agent:

Raiffeisen Bank International AG,
Am Stadtpark 9, 1030 Wien, Austria

Danish Representative Agent:

Nordea Bank Danmark A/S,
Issuer Services, Postboks 850, 0900 Copenhagen C, Denmark

French Centralising Agent:

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

Since 25 March 2013, the effective proportion of the net assets of the M&G UK Growth Fund in PEA ('Plan d'Épargne en Actions') eligible assets has permanently been equal to at least 75%.

German Paying and Information Agent:

J.P. Morgan AG,
Junghofstraße 14, 60311 Frankfurt am Main, Germany

Irish Facilities Agent:

BNY Mellon Fund Services (Ireland) Limited,
Guild House, Guild Street, IFSC, Dublin 1, Ireland

Italian Correspondent Banks:

Allfunds Bank, S.A.,
Via Santa Margherita 7, 20121 Milano, Italy

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

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

BNP PARIBAS Securities Services,
Via Ansperto 5, 20123 Milano, Italy

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

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

Luxembourg Paying and Information Agent:

J.P. Morgan Bank Luxembourg S.A., European Bank & Business
Center, 6 c route de Trèves, 2633 Senningerberg, Luxembourg

Spanish Representative:

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

Swedish Paying Agent:

Skandinaviska Enskilda Banken AB (publ),
Sergels Torg 2, 106 40 Stockholm, Sweden

Swiss Paying Agent:

JP Morgan Chase Bank,
National Association, Columbus, Zurich Branch,
Dreikönigstrasse 21, 8002 Zürich, Switzerland

Swiss Representative:

Carnegie Fund Services S.A.,
11, rue du Général-Dufour, 1204 Genève, Switzerland

Introduction

AUTHORISED CORPORATE DIRECTOR'S REPORT

The Authorised Corporate Director (ACD) presents its interim investment report and unaudited financial statements for the six months ended 30 November 2013.

The sub-funds in this report are all part of an umbrella Open-Ended Investment Company (OEIC), M&G Investment Funds (2). This OEIC is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000. M&G Investment Funds (2), as an umbrella OEIC, contains seven sub-funds each of which is a UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA:

M&G Extra Income Fund

M&G Gilt & Fixed Interest Income Fund

M&G High Yield Corporate Bond Fund

M&G Index-Linked Bond Fund

M&G Index Tracker Fund

M&G Short Dated Corporate Bond Fund

M&G UK Growth Fund

The Company was authorised on 1 August 2001 and was launched on 24 January 2002, following the conversion of a series of authorised unit trusts.

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

The interim investment report and unaudited financial statements for each sub-fund for the six months ended 30 November 2013 are set out in detail in their section of this report (see contents page).

G W MacDowall
Director of M&G Securities Limited

L J Mumford
Director of M&G Securities Limited

15 January 2014

Aggregated Financial Statements (unaudited)

For the six months ended 30 November 2013.

STATEMENT OF TOTAL RETURN				
	2013		2012	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		38,750		214,887
Revenue	79,354		89,581	
Expenses	(24,113)		(22,764)	
Finance costs: Interest	(13)		(7)	
Net revenue before taxation	55,228		66,810	
Taxation	(171)		(40)	
Net revenue after taxation		55,057		66,770
Total return before distributions		93,807		281,657
Finance costs: Distributions		(58,587)		(61,993)
Change in net assets attributable to shareholders from investment activities		35,220		219,664

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS				
	2013		2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		4,511,504		4,094,884
Amounts received on issue of shares	370,374		165,805	
Amounts paid on cancellation of shares	(439,833)		(214,334)	
		(69,459)		(48,529)
Stamp Duty Reserve Tax		(138)		(138)
Change in net assets attributable to shareholders from investment activities (see above)		35,220		219,664
Retained distributions on Accumulation shares		17,848		17,176
Unclaimed distributions		84		61
Closing net assets attributable to shareholders		4,495,059		4,283,118

BALANCE SHEET				
	as at		as at	
	30 November 2013	31 May 2013	30 November 2013	31 May 2013
	£'000	£'000	£'000	£'000
Assets				
Investment assets		4,461,737		4,468,849
Debtors	74,641		67,212	
Cash and bank balances	20,091		24,614	
Total other assets		94,732		91,826
Total assets		4,556,469		4,560,675
Liabilities				
Investment liabilities		(224)		(836)
Creditors				
Net distributions payable on Income shares	(14,772)		(20,654)	
Other creditors	(46,414)		(27,681)	
Total other liabilities		(61,186)		(48,335)
Total liabilities		(61,410)		(49,171)
Net assets attributable to shareholders		4,495,059		4,511,504

NOTE TO THE FINANCIAL STATEMENTS

Accounting policies

The accounting policies applied are set out in the notes to the financial statements of each of the sub-funds.

The aggregated financial statements represent the summation of the financial statements for each of the sub-funds.

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.

G W MACDOWALL }
L J MUMFORD } Directors

15 January 2014

M&G Extra Income Fund

AUTHORISED CORPORATE DIRECTOR'S REPORT

Investment objective and policy of the M&G Extra Income Fund

The Fund invests mainly in a range of UK equities with the aim of achieving a high income stream which also increases over time. The target yield is 50% higher than that of the FTSE All-Share Index but this may vary in the shorter term. Although income will be the primary consideration, the investment manager will also be mindful of total return (the combination of income and growth of capital).

Investment approach

The M&G Extra Income Fund is managed to provide investors with a high income through a portfolio of UK equities and high quality corporate bonds (in order to aid income generation). The fund targets a yield that is 50% higher than that of the FTSE All-Share Index. Although this gives the fund a bias towards the higher yielding sectors of the market, it aims to have a broadly diversified portfolio within these yield constraints.

The equity component of the fund has a bias towards good value, out of favour stocks. Good quality investments are selected from the available universe of higher yielding equities by identifying those companies that exhibit the following qualities: strong business franchise, good cashflow characteristics and attractive dividend growth prospects.

Stocks will generally be sold if these criteria no longer apply, but the specific sell discipline is triggered by over-valuation, falling yield or better opportunities elsewhere.

The fixed income exposure will be comprised of issues chosen for high quality and broad diversification. Corporate bonds are typically favoured versus the risk-free rate (as proxied by gilts in the long term) in pursuit of income.

Risk and reward profile*



- The above risk number is based on the rate at which the value of the Fund has moved up and down in the past.
- This risk number is based on historical data and may not be a reliable indicator of the future risk profile of the Fund.
- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

* Please note that this 'Risk and reward profile' section is based on Sterling Class 'A' shares, the nominated share class.

INVESTMENT ACTIVITIES OVER THE REPORT PERIOD

As at 2 December 2013, for the six months ended 30 November 2013

Given the fund's income objective, much of the activity over the six months under review was concentrated on growing the distribution. Aside from reducing or selling some holdings where yields^[a] had fallen and adding to those where yields were more attractive, there was also a focus on increasing the fund's exposure to companies growing their dividends^[b] at a faster-than-average rate to improve its future income prospects. Examples include retailer WH Smith, which was a new holding during the period, and miner Rio Tinto, where an existing position was increased.

WH Smith is performing well in a difficult consumer environment. It also benefits from a wide presence across railway stations and airports. Rio Tinto is one of the largest and strongest miners and a prolonged period of underperformance has left the stock with an above-average yield.

New positions were also established in KCOM and Standard Chartered. KCOM has a monopoly of the retail telecoms market in Hull, which gives it significant pricing power. Furthermore, the company is expanding successfully outside the city into commercial services. Standard Chartered represented a small investment into a stock with exposure to emerging markets, to take advantage of its recent setback over concerns about growth in China.

Of note amongst the disposals during the period was the sale of RSA Insurance, with the fund exiting most of the position ahead of this winter's profit warnings by the insurer. Two other sales in happier circumstances were those of construction group Keller and industrial conglomerate Bunzl, following good performance that had made their valuations less attractive.

There was limited activity within the bond^[c] segment of the portfolio. A small exposure to inflation-linked UK government bonds (where the interest repayments and loan values are adjusted in line with inflation) was maintained, based on a belief that UK inflation could be set to rise in the medium term as economic growth picks up.

Richard Hughes Fund manager

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

^[a] Yield is an asset's prospective rate of return and has an inverse relationship to price. If an asset's price goes down, its yield goes up, and vice versa.

^[b] 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.

^[c] Bonds are loans in the form of a security, usually issued by a government (government bonds) or company (corporate bonds), which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

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

M&G Extra Income Fund

FUND STATISTICS

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

DISTRIBUTION DATES AND FUND FACTS

Distribution type	xd	payment
Third interim	03.03.14	30.04.14
Final	02.06.14	31.07.14
First interim	01.09.14	31.10.14
Second interim	01.12.14	31.01.15

	Interim distribution		Ongoing Charges Figure ^[b]	
	Inc 31.01.14 ^[a]	Acc 02.12.13 ^[a]	30.11.13	31.05.13
Sterling	p	p	%	%
Class 'A'	5.7500	42.5000	1.41	1.41
Class 'C'	5.9000	n/a	0.16	0.16
Class 'I'	8.0000	8.1000	0.91	0.91 ^[c]
Class 'R'	0.9000	0.9000	1.16	1.17 ^[c]
Class 'X'	5.7500	42.5000	1.41	1.41

^[a] The date on which the interim distribution will be paid to Income shareholders and credited to Accumulation shareholders.

^[b] The Ongoing Charges Figure is the ratio of the relevant annualised total disclosable costs of each share class from the most recent reporting period to the average net asset value for that share class over the same period.

^[c] The comparative Ongoing Charges Figure shown here is an estimate of the charges, as the share class had not been in existence for a full financial year.

FUND PERFORMANCE

Performance of share classes

	Net asset value per share as at 30.11.13		Net asset value per share as at 31.05.13		Net asset value % change	
	Inc	Acc	Inc	Acc	Inc	Acc
	p	p	p	p	%	%
Sterling	p	p	p	p	%	%
Class 'A'	714.55	5,408.76	702.36	5,203.93	+1.74	+3.94
Class 'C'	774.77	n/a	756.90	n/a	+2.36	n/a
Class 'I'	1,141.86	1,203.98	1,117.52	1,161.78	+2.18	+3.63
Class 'R'	113.64	120.08	111.55	116.00	+1.87	+3.52
Class 'X'	720.49	5,347.56	708.11	5,171.67	+1.75	+3.40

PERFORMANCE SINCE LAUNCH

	six months 03.06.13 %	one year 03.12.12 %	five years 02.12.08 % p.a. ^[a]	since launch % p.a. ^[a]
Sterling ^[b]				
Class 'A'	+1.6	+10.5	+7.0	+7.0 ^[c]
Class 'C'	+2.3	+11.9	+8.1	+2.0 ^[d]
Class 'I'	+2.1	+11.2	n/a	+10.0 ^[e]
Class 'R'	+1.8	+11.2	n/a	+9.6 ^[e]
Class 'X'	+1.6	+10.5	+7.0	+3.3 ^[f]

^[a] Shows the compound rate of return, per annum, over the period.

^[b] Bid to bid excluding reinvested income.

^[c] 19 November 1973, the end of the initial offer period of the predecessor unit trust.

^[d] 1 December 2005, the launch date of the share class.

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

^[f] 1 October 2002, the launch date of the share class.

SINGLE YEAR PERFORMANCE (5 YEARS ENDING NOVEMBER)

From To	30.11.12 29.11.13 %	30.11.11 30.11.12 %	30.11.10 30.11.11 %	30.11.09 30.11.10 %	28.11.08 30.11.09 %
Sterling					
Class 'A'	+16.1	+15.4	+5.3	+9.7	+16.7

Source: Morningstar, Inc., bid to bid with net income reinvested.

PRICES

Calendar year	Income shares		Accumulation shares		
	Highest	Lowest	Highest	Lowest	
Sterling (net)	p	p	p	p	
Class 'A'	2008	701.96	485.18	3,919.74	2,833.04
	2009	575.01	433.98	3,598.48	2,604.09
	2010	617.36	532.79	4,032.82	3,444.07
	2011	638.70	559.38	4,261.10	3,820.33
	2012	657.72	589.82	4,762.59	4,132.31
	2013 ^[a]	736.65	653.13	5,497.63	4,729.30
Class 'C'	2008	716.52	499.37	n/a	n/a
	2009	597.06	448.68	n/a	n/a
	2010	646.80	557.62	n/a	n/a
	2011	672.33	591.20	n/a	n/a
	2012	704.74	629.20	n/a	n/a
	2013 ^[a]	792.92	699.96	n/a	n/a
Class 'I'	2012 ^[b]	1,044.25	996.37	1,055.80	1,000.00
	2013 ^[a]	1,175.35	1,037.04	1,223.39	1,048.52
Class 'R'	2012 ^[b]	104.09	100.00	105.51	100.00
	2013 ^[a]	117.53	103.25	122.03	104.77
Class 'X'	2008	707.80	489.18	3,875.09	2,800.74
	2009	579.74	437.66	3,557.45	2,574.40
	2010	622.44	537.13	3,986.82	3,404.79
	2011	644.05	563.99	4,212.74	3,776.87
	2012	663.19	594.63	4,708.54	4,085.41
	2013 ^[a]	742.82	658.55	5,435.38	4,675.64

^[a] To 2 December 2013.

^[b] From 3 August 2012 (the launch date of the share class).

Past performance is no indication of current or future performance and the performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.

The price of shares and the income from them may go down as well as up, and you may get back less than you invested.

M&G Extra Income Fund

FUND STATISTICS

INCOME

Dividend income per share						
	Calendar year	Interims	Distributed Final	Interim	Total	Reinvested
Sterling (net)		p	p	p	p	p
Class 'A'	2009	13.1000	12.0150	5.2500	30.3650	175.6943
	2010	10.5000	12.2000	5.2500	27.9500	178.2085
	2011	10.5000	12.1510	5.3500	28.0010	189.3228
	2012	11.1000	13.8080	5.5500	30.4580	213.0706
	2013 ^[a]	11.2000	14.1384	5.7500	31.0884	227.7931
	2014 ^[a]	5.7500	-	-	5.7500	-
Class 'C'	2009	13.1000	12.9900	6.4000	32.4900	n/a
	2010	13.7500	8.8250	7.0000	29.5750	n/a
	2011	11.4000	10.8820	7.3000	29.5820	n/a
	2012	11.8000	12.9630	7.3000	32.0630	n/a
	2013	12.1000	13.6818	5.9000	31.6818	n/a
	2014 ^[a]	5.9000	-	-	5.9000	n/a
Class 'I'	2012	n/a	n/a	5.5000	5.5000	11.1500
	2013 ^[a]	11.2000	25.7107	8.0000	44.9107	47.8455
	2014 ^[a]	8.0000	-	-	8.0000	-
Class 'R'	2012	n/a	n/a	nil	nil	1.5000
	2013 ^[a]	1.5000	2.7731	0.9000	5.1731	4.6053
	2014 ^[a]	0.9000	-	-	0.9000	-
Class 'X'	2009	13.1000	12.2750	5.2500	30.6250	173.7841
	2010	10.5000	12.4200	5.2500	28.1700	176.0903
	2011	10.5000	12.3800	5.3500	28.2300	187.1113
	2012	11.1000	14.0590	5.5500	30.7090	210.6551
	2013 ^[a]	11.2000	14.3969	5.7500	31.3469	226.8546
	2014 ^[a]	5.7500	-	-	5.7500	-

^[a] Up to interim: ex-distribution date 2 December 2013; payment date 31 January 2014.

NET ASSETS

	Period ended	Value per share		Number of shares	
		Inc	Acc	Inc	Acc
Sterling		p	p		
Class 'A'	May 2011	620.83	4,201.49	36,173,557	719,048
	May 2012	593.16	4,220.85	34,974,557	698,723
	May 2013	702.36	5,203.93	33,408,457	714,683
	Nov 2013	714.55	5,408.76	31,786,907	652,250
Class 'C'	May 2011	655.62	n/a	13,771,619	n/a
	May 2012	632.74	n/a	12,809,919	n/a
	May 2013	756.90	n/a	12,091,019	n/a
	Nov 2013	774.77	n/a	11,781,619	n/a
Class 'I'	May 2013	1,117.52	1,161.78	339,050	79,500
	Nov 2013	1,141.86	1,203.98	994,750	344,650
Class 'R'	May 2013	111.55	116.00	494,000	81,000
	Nov 2013	113.64	120.08	532,000	136,000
Class 'X'	May 2011	625.90	4,153.53	3,536,430	86,169
	May 2012	598.00	4,172.95	3,857,930	89,859
	May 2013	708.11	5,171.67	4,272,630	207,159
	Nov 2013	720.49	5,347.56	4,466,530	134,244

Total net asset value of sub-fund

Period ended	£	€ ^[a]
May 2011	370,790,000	424,828,000
May 2012	344,819,000	431,024,000
May 2013	409,874,000	479,908,000
Nov 2013	409,326,000	491,399,000

^[a] Based on the midday exchange rate on the last business day of each accounting period.

PORTFOLIO

PORTFOLIO STATEMENT

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
Oil & gas producers		7.99	8.28
3,000,000 BP	14,463	3.53	
850,000 Royal Dutch Shell 'B'	18,245	4.46	
Chemicals		2.08	2.14
500,000 AZ Electronic Materials	1,367	0.33	
1,000,000 Elementis	2,591	0.63	
70,000 Johnson Matthey	2,231	0.55	
1,000,000 Synthomer	2,342	0.57	
Mining		3.13	2.55
375,000 BHP Billiton	7,020	1.72	
175,000 Rio Tinto	5,758	1.41	
Construction & materials		0.55	0.73
400,000 Balfour Beatty	1,082	0.26	
700,000 Marshalls	1,199	0.29	
Aerospace & defence		0.53	0.49
500,000 BAE Systems	2,165	0.53	
General industrials		0.40	0.63
300,000 DS Smith	927	0.23	
50,000 Smiths Group	688	0.17	

M&G Extra Income Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
Electronic & electrical equipment		1.33	1.25
575,000 Halma	3,404	0.83	
700,000 Morgan Advanced Materials	2,051	0.50	
Industrial engineering		0.64	0.57
900,000 Melrose Industries	2,639	0.64	
Industrial transportation		0.43	0.54
500,000 BBA Aviation	1,629	0.40	
19,813 Royal Mail	110	0.03	
Support services		3.22	3.05
800,000 Carillion	2,411	0.59	
225,000 De La Rue	2,016	0.49	
1,100,000 Electrocomponents	3,220	0.79	
1,100,000 Premier Farnell	2,445	0.60	
1,400,000 Smiths News	3,073	0.75	
Automobiles & parts		0.46	0.58
500,000 GKN	1,888	0.46	
Beverages		0.58	0.45
350,000 Britvic	2,377	0.58	
Food producers		0.91	1.01
150,000 Unilever	3,714	0.91	
Tobacco		6.23	6.85
640,000 British American Tobacco	20,854	5.09	
200,000 Imperial Tobacco	4,650	1.14	
Pharmaceuticals & biotechnology		6.15	6.43
225,000 AstraZeneca	7,836	1.91	
1,075,000 GlaxoSmithKline	17,377	4.24	
Food & drug retailers		0.85	0.89
1,000,000 Tesco	3,485	0.85	
General retailers		0.56	0.56
40,000 NEXT	2,200	0.54	
10,000 WH Smith	95	0.02	
Media		3.13	3.26
375,000 Informa	2,089	0.51	
1,250,000 Moneysupermarket.com	2,276	0.56	
175,000 Pearson	2,361	0.58	
375,000 Reed Elsevier	3,315	0.81	
400,000 UBM	2,732	0.67	
Travel & leisure		2.53	2.93
425,000 Compass Group	3,948	0.96	
1,250,000 Marston's	1,831	0.45	
500,000 National Express	1,312	0.32	
850,000 William Hill	3,263	0.80	
Fixed line telecommunications		2.53	1.87
2,000,000 BT Group	7,504	1.83	
1,000,000 KCOM Group	988	0.24	
700,000 TalkTalk Telecom	1,892	0.46	
Mobile telecommunications		4.75	4.18
8,500,000 Vodafone Group	19,457	4.75	
Electricity		0.80	0.93
245,427 SSE	3,274	0.80	
Gas, water & multi-utilities		6.32	7.08
1,250,000 Centrica	4,250	1.04	
603,966 National Grid	4,681	1.14	
771,651 Pennon Group	4,989	1.22	
250,000 Severn Trent	4,390	1.07	
1,150,000 United Utilities	7,579	1.85	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
Banks		3.17	3.22
1,835,263 HSBC Holdings	12,520	3.06	
30,000 Standard Chartered	437	0.11	
Non-life insurance		1.45	1.97
600,000 Catlin Group	3,270	0.80	
800,000 Direct Line Insurance Group	1,878	0.46	
75,000 Jardine Lloyd Thompson Group	766	0.19	
Life insurance		5.84	5.10
600,000 Aviva	2,601	0.64	
900,000 Chesnara	2,678	0.65	
2,750,000 Legal & General Group	5,885	1.44	
450,000 Old Mutual	895	0.22	
350,000 Prudential	4,575	1.12	
1,400,000 Resolution	4,809	1.17	
700,000 Standard Life	2,471	0.60	
Real estate investment & services		0.92	0.74
4,423,076 Redefine International	2,189	0.53	
2,300,000 Standard Life Investment Property Income Trust	1,593	0.39	
Real estate investment trusts		2.35	2.11
340,000 A&J Mucklow Group	1,661	0.41	
358,115 British Land	2,199	0.54	
1,500,000 Hansteen Holdings	1,619	0.40	
201,651 Land Securities Group	1,930	0.47	
650,000 Segro	2,182	0.53	
Financial services		2.81	2.57
350,000 Ashmore Group	1,386	0.34	
315,000 Close Brothers Group	4,253	1.04	
50,000 Henderson Group	107	0.03	
150,000 Intermediate Capital Group	638	0.16	
225,000 Provident Financial	3,605	0.88	
450,000 Tullett Prebon	1,492	0.36	
Equity investment instruments		0.99	0.84
1,498,400 Carador Income Fund	876	0.21	
1,850,000 Ecofin Water & Power Opportunities	2,424	0.59	
750,000 Middlefield Canadian Income Trusts	767	0.19	
Software & computer services		0.30	0.44
350,000 Sage Group	1,225	0.30	
Non-convertible preference shares		5.89	5.74
£1,500,000 Aviva 8.375% Cum. Irrd. Pref.	1,830	0.45	
£3,800,000 General Accident 7.875% Cum. Irrd. Pref.	4,180	1.02	
£5,000,000 General Accident 8.875% Cum. Irrd. Pref.	6,100	1.49	
£7,725,000 Lloyds Banking Group 9.25% Non-cum. Irrd. Pref.	9,386	2.29	
£6,250 Nationwide Building Society 10.25% Non-cum. Irrd. Pref.	625	0.15	
£1,600,000 Standard Chartered 8.25% Non-cum. Irrd. Pref.	2,016	0.49	
'AAA' credit rated bonds		2.51	2.60
£2,400,000 KfW 5.55% 2021	2,890	0.71	
£2,680,000 Treasury 0.125% IL 2019	2,882	0.70	
£355,000 Treasury 1.25% IL 2017	514	0.13	
£1,500,000 Treasury 3.75% 2019	1,657	0.40	
£1,225,000 Treasury 4% 2022	1,370	0.33	
£850,000 Treasury 4.5% 2019	970	0.24	
'AA' credit rated bonds		1.09	1.13
£1,300,000 Land Securities Capital Markets Var. Rate 2025	1,460	0.36	
£1,050,000 Rabobank Nederland 3.25% 2017	1,104	0.27	
£1,250,000 Wal-Mart Stores 4.875% 2039	1,371	0.33	
£450,000 Wal-Mart Stores 5.625% 2034	542	0.13	

M&G Extra Income Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
'A' credit rated bonds			
£737,000 American International Group 6.765% 2017	860	0.21	6.16
£650,000 Anheuser-Busch InBev 9.75% 2024	992	0.24	
£2,100,000 AT&T 5.875% 2017	2,362	0.58	
£1,500,000 BAT Holdings 5.5% 2016	1,658	0.41	
£1,950,000 EDF Energy Networks 6.875% 2022	2,451	0.60	
£250,000 Électricité de France 6.125% 2034	297	0.07	
£1,000,000 Granite Master Issuer FRN 2054	939	0.23	
£200,000 Granite Master Issuer FRN 2054 05-2M3	189	0.05	
£1,473,000 Heathrow Funding (formerly BAA Funding) Var. Rate 2025 (5.225%)	1,627	0.40	
£1,550,000 HSBC Holdings Var. Rate 2022 (6.375%)	1,733	0.42	
£1,750,000 JPMorgan Chase 5.375% 2016	1,917	0.47	
£845,000 London Merchant Securities 6.5% 2026	979	0.24	
£300,000 London Stock Exchange 9.125% 2019	387	0.09	
£460,000 London Stock Exchange Var. Rate 2016	503	0.12	
£400,000 McDonald's 6.375% 2020	482	0.12	
£250,000 Motability Operations Group 6.625% 2019	305	0.07	
£400,000 Royal Bank of Scotland 7.5% 2024	514	0.13	
£1,000,000 Standard Life Var. Rate Perp.	1,090	0.27	
£650,000 UBS London 6.375% 2016	729	0.18	
£700,000 Wells Fargo 5.25% 2023	774	0.19	
£1,750,000 Yorkshire Water Services Odsal Finance 6.5876% 2023	2,126	0.52	
'BBB' credit rated bonds			
£900,000 Bank of America 5.25% 2016	976	0.24	6.98
£1,000,000 BSkYB Finance UK 5.75% 2017	1,131	0.28	6.81
£2,180,000 Deutsche Telekom International Finance Var. Rate 2019 (7.375%)	2,710	0.66	
£300,000 FirstGroup 6.875% 2024	343	0.08	
£200,000 Go-Ahead Group 5.375% 2017	219	0.05	
£180,000 Heathrow Funding (formerly BAA Funding) 6.25% 2018	204	0.05	
£878,000 Imperial Tobacco Finance 8.125% 2024	1,155	0.28	
£1,050,000 Imperial Tobacco Finance 9% 2022	1,418	0.35	
£1,350,000 KPN 5.75% 2016	1,468	0.36	
£439,000 KPN 6% 2019	497	0.12	
£375,000 Legal & General Group 10% IL 2041	512	0.13	
£1,666,000 Lloyds Bank (formerly Lloyds TSB Bank) 6.625% 2015	1,756	0.43	
£1,350,000 London Power Networks 5.125% 2016	1,494	0.36	
£160,000 Marks & Spencer 5.625% 2014	162	0.04	
£1,200,000 Mondelex International 7.25% 2018	1,453	0.35	
£700,000 NEXT 5.875% 2016	779	0.19	
£1,500,000 Reed Elsevier Investments 5.625% 2016	1,654	0.40	
£335,000 Rentokil Initial 5.75% 2016	362	0.09	
£155,000 Stagecoach 5.75% 2016	171	0.04	
£1,000,000 Talisman Energy 6.625% 2017	1,143	0.28	
£1,660,000 Tate & Lyle International Finance 6.75% 2019	1,970	0.48	
£400,000 Telefónica Emisiones 5.375% 2026	404	0.10	
£2,412,000 Tesco 6.125% 2022	2,797	0.68	
£450,000 United Business Media 6.5% 2016	503	0.12	
£918,000 United Utilities Water 5.375% 2018	1,032	0.25	
£1,200,000 Verizon Wireless Capital 8.875% 2018	1,551	0.38	
£3,000 Xstrata Canada Financial 7.375% 2020	4	0.00	
£700,000 Yorkshire Water Services Var. Rate 2025 (6%)	774	0.19	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
'BB' credit rated bonds			
£200,000 Telecom Italia 6.375% 2019	207	0.05	0.27
£850,000 Virgin Media Secured Finance 7% 2018	883	0.22	0.00
Bonds with no credit rating ^[a]			
£1,500,000 Carlsberg Breweries 7.25% 2016	1,728	0.42	2.75
£400,000 Hammerson 5.25% 2016	441	0.11	2.83
£1,283,000 Hammerson 6.875% 2020	1,548	0.38	
£1,100,000 Heineken 7.25% 2015	1,178	0.29	
£1,236,000 John Lewis 6.125% 2025	1,428	0.35	
£520,000 John Lewis 8.375% 2019	653	0.16	
£850,000 National Express 6.25% 2017	938	0.23	
£2,300,000 Segro 5.25% 2015	2,444	0.60	
£500,000 TUI Travel 6% 2014 (TUI Travel)	567	0.14	
£297,000 WM Morrison Supermarkets 3.5% 2026	273	0.07	
Unquoted / unlisted ^[a]			
\$250,000 National Grid 6% Cnv. 2003 (Energis)	0	0.00	0.00
'AAA' rated money market funds ^[b]			
5,590,000 Northern Trust Global Fund - Sterling	5,590	1.37	1.61
Portfolio of investments	410,945	100.40	101.12
Net other liabilities	(1,619)	(0.40)	(1.12)
Net assets attributable to shareholders	409,326	100.00	100.00

^[a] The underlying stock for each convertible bond is shown in brackets.

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

M&G Extra Income Fund

PORTFOLIO

PORTFOLIO TRANSACTIONS

for the six months ended 30 November 2013

	£'000
Largest purchases	£'000
Treasury 0.125% IL 2019 (£)	2,878
Rio Tinto	1,566
BP	1,400
Bank of America 5.25% 2016 (£)	975
Virgin Media Secured Finance 7% 2018 (£)	892
American International Group 6.765% 2017 (£)	867
KCOM Group	834
Middlefield Canadian Income Trusts	769
Tesco 6.125% 2022 (£)	651
Close Brothers Group	647
Nationwide Building Society 10.25% Non-cum. Irrd. Pref. (£)	625
BHP Billiton	477
Standard Chartered	460
De La Rue	252
Heathrow Funding (formerly BAA Funding) 6.25% 2018 (£)	204
Moneysupermarket.com	201
Ashmore Group	179
National Grid	178
Pennon Group	148
HSBC Holdings	113
Northern Trust Global Fund - Sterling ^[a]	20,680
Other purchases	346
Total purchases	35,342
Largest sales	£'000
Treasury 2.5% IL 2016 (£)	2,859
RSA Insurance Group	2,106
William Hill	1,236
Vodafone Group	1,136
Royal Dutch Shell 'B'	1,100
BBA Aviation	969
GKN	920
Intermediate Capital Group	908
Virgin Media Secured Finance 7% 2018 (£)	895
Keller Group	738
National Grid	716
Smiths News	701
Heathrow Funding (formerly BAA Funding) Var. Rate 2015 (£)	700
Bunzl	693
Jardine Lloyd Thompson Group	682
Compass Group	670
FirstGroup 5.25% 2022 (£)	629
Reed Elsevier	601
DS Smith	540
Henderson Group	520
Northern Trust Global Fund - Sterling ^[a]	21,707
Other sales	4,238
Total sales	45,264

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

INTERIM FINANCIAL STATEMENTS (unaudited)

For the six months ended 30 November 2013.

STATEMENT OF TOTAL RETURN

	2013		2012	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		6,760		28,679
Revenue	9,339		9,219	
Expenses	(2,277)		(2,056)	
Net revenue before taxation	7,062		7,163	
Taxation	(1)		(1)	
Net revenue after taxation		7,061		7,162
Total return before distributions		13,821		35,841
Finance costs: Distributions		(6,518)		(6,600)
Change in net assets attributable to shareholders from investment activities		7,303		29,241

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	2013		2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		409,874		344,819
Amounts received on issue of shares	17,364		10,668	
Amounts paid on cancellation of shares	(25,945)		(11,775)	
		(8,581)		(1,107)
Stamp Duty Reserve Tax		(50)		(42)
Change in net assets attributable to shareholders from investment activities (see above)		7,303		29,241
Retained distributions on Accumulation shares		725		649
Unclaimed distributions		55		31
Closing net assets attributable to shareholders		409,326		373,591

The opening net assets attributable to shareholders for 2013 differs to the closing position in 2012 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

M&G Extra Income Fund

INTERIM FINANCIAL STATEMENTS (unaudited)

BALANCE SHEET

	as at 30 November 2013		as at 31 May 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		410,945		414,445
Debtors	4,279		3,828	
Cash and bank balances	1		15	
Total other assets		4,280		3,843
Total assets		415,225		418,288
Liabilities				
Creditors				
Net distributions payable on Income shares	(2,864)		(7,093)	
Other creditors	(3,035)		(1,321)	
Total liabilities		(5,899)		(8,414)
Net assets attributable to shareholders		409,326		409,874

NOTE TO THE FINANCIAL STATEMENTS

Accounting policies

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 31 May 2013. They are in accordance with the historical cost convention, as modified by the revaluation of investments, and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

M&G Extra Income Fund

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M&G Gilt & Fixed Interest Income Fund

AUTHORISED CORPORATE DIRECTOR'S REPORT

Investment objective of the M&G Gilt & Fixed Interest Income Fund

The Fund is designed to provide a secure income with stability of capital consistent with investment in gilts.

Investment policy of the M&G Gilt & Fixed Interest Income Fund

The Fund invests mainly in short, medium or long-dated gilts according to M&G's view at any given moment of the likely course of interest rates and trend of the gilt-edged market. The Fund's exposure to gilts may be gained through the use of derivatives. The Fund may also invest in other assets including collective investment schemes, other transferable securities, other debt instruments, cash and near cash, deposits, warrants, money market instruments and other derivative instruments.

Investment approach

The fund manager's investment approach is driven primarily by macroeconomic factors such as views on inflation, interest rates and economic growth and tends not to be influenced by short-term changes in the economic or market environment. A minimum of 80% of the fund is to be invested in UK government bonds, subject to which, it can invest a maximum of 20% in government guaranteed securities and up to 5% in corporate bonds and cash. The corporate bond purchases are made in consultation with the fund managers of the M&G Corporate Bond Fund and the M&G High Yield Corporate Bond Fund.

Risk and reward profile*



1	2	3	4	5	6	7
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- The above risk number is based on the rate at which the value of the Fund has moved up and down in the past.
- This risk number is based on historical data and may not be a reliable indicator of the future risk profile of the Fund.
- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

* Please note that this 'Risk and reward profile' section is based on Sterling Class 'A' shares, the nominated share class.

INVESTMENT ACTIVITIES OVER THE REPORT PERIOD

As at 2 December 2013, for the six months ended 30 November 2013

Over the review period, we added bond^[a] issues with a maturity of between 7 and 15 years to the portfolio. This was based on our view that these assets had become more attractively priced following a sharp sell-off during the summer of 2013. To fund the purchases, we sold bond issues maturing in 2014, 2015 and 2016. These so-called short-dated bonds had helped to protect the portfolio against rising yields^[b] given their lower sensitivity to movements in yields.

These changes to the portfolio lengthened the duration of the fund significantly. Duration, or average maturity, measures the portfolio's sensitivity to changes in yields. At the start of the six months, the fund had a duration position of about 7.5 years, which was about 1.5 years shorter than that of the FTSE Government UK Gilts All Stocks Index. This duration position subsequently rose to a neutral level of around 8.4 years as we believed that UK government bonds, or gilts, had in general become more fairly valued.

In the relatively quiet summer period that followed the sharp sell-off in gilts, we focused on trades to maximise the relative values to be found within the asset class, notably amongst short-dated bonds, while maintaining the portfolio's duration. We sold the fund's position in gilts maturing in 2016 to invest into a Norwegian corporate bond issued by banking group Kommunalbanken, of a similar maturity and risk profile, but which potentially offers a higher return. We continue to hold a sizeable allocation in short-dated supranational and government-guaranteed bonds issued by entities such as Network Rail, Barclays and the European Investment Bank, as these AAA rated bonds offer an attractive yield over similar-maturity gilts. While they are slightly less liquid than government bonds, we believe there is currently little additional risk involved.

Jim Leaviss Fund manager

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

^[a] Bonds are loans in the form of a security, usually issued by a government (government bonds) or company (corporate bonds), which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

^[b] Yield is the bond's prospective rate of return and has an inverse relationship to price.

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

M&G Gilt & Fixed Interest Income Fund

FUND STATISTICS

DISTRIBUTION DATES AND FUND FACTS

Distribution type	xd	payment
Third interim	03.03.14	30.04.14
Final	02.06.14	31.07.14
First interim	01.09.14	31.10.14
Second interim	01.12.14	31.01.15

	Interim distribution		Ongoing Charges Figure ^[b]	
	Inc 31.01.14 ^[a]	Acc 02.12.13 ^[a]	30.11.13	31.05.13
Sterling	p	p	%	%
Class 'A'	0.2096	1.1376	0.91	0.91
Class 'I'	2.7744	2.7520	0.66	0.66 ^[c]

^[a] The date on which the interim distribution will be paid to Income shareholders and credited to Accumulation shareholders.

^[b] The Ongoing Charges Figure is the ratio of the relevant annualised total disclosable costs of each share class from the most recent reporting period to the average net asset value for that share class over the same period.

^[c] The Ongoing Charges Figure shown here is an estimate of the charges, as the share class had not been in existence for a full financial year.

Income accrued from interest-bearing securities is distributed on an effective yield basis.

FUND PERFORMANCE

Performance of share classes

	Net asset value per share as at 30.11.13		Net asset value per share as at 31.05.13		Net asset value % change	
	Inc	Acc	Inc	Acc	Inc	Acc
	p	p	p	p	%	%
Sterling						
Class 'A'	83.49	453.35	85.85	464.00	-2.75	-2.30
Class 'I'	946.77	958.85	973.54	980.50	-2.75	-2.21

PERFORMANCE SINCE LAUNCH

	six months 03.06.13	one year 03.12.12	five years 02.12.08	since launch
	%	%	% p.a. ^[a]	% p.a. ^[a]
Sterling ^[b]				
Class 'A'	-2.0	-3.7	+4.0	+7.1 ^[c]
Class 'I'	-1.9	-3.5	n/a	-3.3 ^[d]

^[a] Shows the compound rate of return, per annum, over the period.

^[b] Bid to bid with net income reinvested.

^[c] 9 December 1980, the end of the initial offer period of the predecessor unit trust.

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

SINGLE YEAR PERFORMANCE (5 YEARS ENDING NOVEMBER)

From	30.11.12	30.11.11	30.11.10	30.11.09	28.11.08
To	29.11.13	30.11.12	30.11.11	30.11.10	30.11.09
	%	%	%	%	%
Sterling					
Class 'A'	-3.5	+1.4	+14.3	+4.4	+6.6

Source: Morningstar, Inc., bid to bid with net income reinvested.

PRICES

	Calendar year	Income shares		Accumulation shares	
		Highest	Lowest	Highest	Lowest
Sterling (net)		p	p	p	p
Class 'A'	2008 ^[a]	76.44	65.33	385.05	324.27
	2009	77.52	72.00	393.12	364.40
	2010	80.17	72.61	419.36	375.21
	2011	86.92	74.97	465.05	395.55
	2012	88.90	84.27	477.39	451.84
	2013 ^[b]	87.69	82.19	473.26	445.19
Class 'I'	2012 ^[c]	1,002.89	973.73	1,002.91	976.66
	2013 ^[b]	994.71	932.14	999.86	941.32

^[a] On 1 September 2008, the fund's objective was changed.

^[b] To 2 December 2013.

^[c] From 3 August 2012 (the launch date of the share class).

Past performance is no indication of current or future performance and the performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.

The price of shares and the income from them may go down as well as up, and you may get back less than you invested.

INCOME

	Interest income per share		Distributed		Reinvested	
	Calendar year	Interims	Final	Interim	Total	Total
Sterling (net)		p	p	p	p	p
Class 'A'	2009	1.0123	0.4876	0.4656	1.9655	9.6358
	2010	0.9020	0.4580	0.3820	1.7420	8.2375
	2011	0.6096	0.2940	0.2980	1.2016	5.9376
	2012	0.3852	0.1340	0.1600	0.6792	3.3076
	2013 ^[a]	0.2844	0.1168	0.1792	0.7900	3.4936
	2014 ^[a]	0.2096	-	-	0.2096	-
Class 'I'	2012	n/a	n/a	0.6792	0.6792	2.9620
	2013 ^[a]	4.1196	1.9372	2.5100	11.3412	9.1680
	2014 ^[a]	2.7744	-	-	2.7744	-

^[a] Up to interim: ex-distribution date 2 December 2013; payment date 31 January 2014.

NET ASSETS

	Period ended	Value per share		Number of shares	
		Inc	Acc	Inc	Acc
Sterling		p	p		
Class 'A'	May 2011	77.69	413.17	292,120,931	123,802,360
	May 2012	87.01	467.23	319,173,931	154,250,860
	May 2013	85.85	464.00	246,311,931	136,744,660
	Nov 2013	83.49	453.35	198,962,931	118,960,860
Class 'I'	May 2013	973.54	980.50	730,700	721,300
	Nov 2013	946.77	958.85	2,062,100	6,045,600

Total net asset value of sub-fund	Period ended	£		€ ^[a]	
		Inc	Acc	Inc	Acc
	May 2011	738,462,000		846,039,000	
	May 2012	998,409,000		1,248,013,000	
	May 2013	860,142,000		1,007,112,000	
	Nov 2013	782,901,000		939,878,000	

^[a] Based on the midday exchange rate on the last business day of each accounting period.

M&G Gilt & Fixed Interest Income Fund

PORTFOLIO

PORTFOLIO STATEMENT

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
'AAA' credit rated bonds			
£20,000,000 Barclays Bank 1.5% 2017	20,176	2.58	
£3,000,000 CTRL Section 1 Finance 5.234% 2035	3,471	0.44	
£7,000,000 European Investment Bank 8.75% 2017	8,850	1.13	
£10,000,000 European Investment Bank FRN 2018	10,025	1.28	
£10,000,000 Finland (Republic of) FRN 2016	10,006	1.28	
£10,500,000 International Bank for Reconstruction & Development 0.875% 2014	10,528	1.34	
£7,000,000 KfW 5.5% 2015	7,645	0.98	
£10,000,000 Kommunalbanken AS 1.125% 2016	9,988	1.27	
£20,050,000 Network Rail Infrastructure Finance 1.25% 2015	20,172	2.58	
£3,000,000 Network Rail Infrastructure Finance 4.625% 2020	3,433	0.44	
£20,000,000 Network Rail Infrastructure Finance FRN 2016	19,987	2.55	
£68,000,000 Treasury 1% 2017	67,546	8.63	
£80,000,000 Treasury 1.25% 2018	79,023	10.09	
£17,000,000 Treasury 2.75% 2015	17,449	2.23	
£15,000,000 Treasury 3.5% 2068	14,846	1.90	
£20,000,000 Treasury 3.75% 2052	20,819	2.66	
£3,450,000 Treasury 4% Perp.	3,264	0.42	
£15,000,000 Treasury 4.25% 2039	16,817	2.14	
£10,000,000 Treasury 4.25% 2049	11,434	1.46	
£15,000,000 Treasury 4.25% 2055	17,385	2.22	
£30,000,000 Treasury 4.5% 2034	34,652	4.43	
£4,000,000 Treasury 5% 2014	4,140	0.53	
£107,000,000 Treasury 5% 2025	128,464	16.40	
£35,000,000 Treasury 6% 2028	46,786	5.98	
£39,250,000 Treasury 8% 2021	54,817	7.00	
£40,000,000 Treasury 8.75% 2017	51,111	6.53	
'AA' credit rated bonds		2.12	4.61
£7,088,000 Transport for London 1.25% 2017	7,043	0.90	
£10,000,000 Transport for London 3.875% 2042	9,576	1.22	
Bonds with no credit rating		8.25	0.00
£70,000,000 War Loan 3.5% Perp.	56,570	7.23	
£8,000,000 Nordic Investment Bank 0.5% 2015	7,966	1.02	
'AAA' rated money market funds ^[a]		0.24	0.12
1,872,000 Northern Trust Global Fund - Sterling	1,872	0.24	
Portfolio of investments	775,861	99.10	99.17
Net other assets	7,040	0.90	0.83
Net assets attributable to shareholders	782,901	100.00	100.00

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

PORTFOLIO TRANSACTIONS

for the six months ended 30 November 2013

Purchases	£'000
Treasury 5% 2025 (£)	205,688
Treasury 2.75% 2015 (£)	121,000
Treasury 1.25% 2018 (£)	106,569
Treasury 5% 2018 (£)	88,183
Treasury 5% 2014 (£)	60,441
Treasury 8.75% 2017 (£)	36,673
Treasury 8% 2021 (£)	35,915
Treasury 3.5% 2068 (£)	20,315
Kommunalbanken AS 1.125% 2016 (£)	9,992
Nordic Investment Bank 0.5% 2015 (£)	7,968
Treasury 6% 2028 (£)	7,049
War Loan 3.5% Perp. (£)	3,233
Northern Trust Global Fund - Sterling ^[a]	88,306
Total purchases	791,332
Sales	£'000
Treasury 2.25% 2014 (£)	166,200
Treasury 2% 2016 (£)	115,806
Treasury 5% 2018 (£)	105,669
Treasury 2.75% 2015 (£)	103,648
Treasury 5% 2025 (£)	72,400
Treasury 5% 2014 (£)	56,017
Treasury 1.25% 2018 (£)	42,497
KfW 3.125% 2025 (£)	18,639
Treasury 4% 2060 (£)	16,293
Treasury 4.25% 2055 (£)	11,365
Treasury 4% 2016 (£)	10,965
Treasury 3.75% 2052 (£)	10,437
International Bank for Reconstruction & Development 0.875% 2014 (£)	9,537
Treasury 3.5% 2068 (£)	5,944
Treasury 8.75% 2017 (£)	3,881
Transport for London 3.875% 2042 (£)	1,961
Treasury 8% 2021 (£)	1,050
Treasury 1% 2017 (£)	299
Northern Trust Global Fund - Sterling ^[a]	87,497
Total sales	840,105

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

M&G Gilt & Fixed Interest Income Fund

INTERIM FINANCIAL STATEMENTS (unaudited)

For the six months ended 30 November 2013.

STATEMENT OF TOTAL RETURN

	2013		2012	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses) / gains		(23,354)		2,652
Revenue	8,348		8,615	
Expenses	(3,654)		(4,412)	
Finance costs: Interest	(2)		0	
Net revenue before taxation	4,692		4,203	
Taxation	0		0	
Net revenue after taxation		4,692		4,203
Total return before distributions		(18,662)		6,855
Finance costs: Distributions		(4,691)		(4,207)
Change in net assets attributable to shareholders from investment activities		(23,353)		2,648

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	2013		2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		860,142		998,409
Amounts received on issue of shares	103,198		19,214	
Amounts paid on cancellation of shares	(159,901)		(79,323)	
		(56,703)		(60,109)
Change in net assets attributable to shareholders from investment activities (see above)		(23,353)		2,648
Retained distributions on Accumulation shares		2,813		2,398
Unclaimed distributions		2		2
Closing net assets attributable to shareholders		782,901		943,348

The opening net assets attributable to shareholders for 2013 differs to the closing position in 2012 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

BALANCE SHEET

	as at 30 November 2013		as at 31 May 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		775,861		853,005
Debtors	9,539		8,790	
Cash held as bank balances	1		1	
Total other assets		9,540		8,791
Total assets		785,401		861,796
Liabilities				
Creditors				
Net distributions payable on Income shares	(474)		(302)	
Other creditors	(2,026)		(1,352)	
Total liabilities		(2,500)		(1,654)
Net assets attributable to shareholders		782,901		860,142

NOTE TO THE FINANCIAL STATEMENTS

Accounting policies

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 31 May 2013. They are in accordance with the historical cost convention, as modified by the revaluation of investments, and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

M&G High Yield Corporate Bond Fund

AUTHORISED CORPORATE DIRECTOR'S REPORT

Investment objective of the M&G High Yield Corporate Bond Fund

The Fund is designed to maximise total return (the combination of income and growth of capital) while generating a high level of income.

Investment policy of the M&G High Yield Corporate Bond Fund

The Fund invests predominantly in higher yielding corporate debt instruments which may be denominated in sterling, European currencies and other major global currencies, should the investment managers deem them to be appropriate investments. The Fund's exposure to higher yielding corporate debt instruments may be gained through the use of derivatives and any currency exposures within the Fund may be managed by currency hedges into sterling. The Fund may also invest in other assets including collective investment schemes, government and public securities and other transferable securities, cash and near cash, deposits, warrants, money market instruments and other derivative instruments.

Investment approach

The M&G High Yield Corporate Bond Fund invests predominantly in higher yielding corporate bonds. The fund manager's investment approach concentrates on bottom-up analysis of individual bond issues whilst remaining aware of macroeconomic developments. There is a focus on proprietary research rather than external research. Credit risk is constantly monitored and always well diversified. Foreign currency exposure is typically hedged to sterling using forward foreign currency contracts, although some currency exposure may exist.

Risk and reward profile*



- The above risk number is based on the rate at which the value of the Fund has moved up and down in the past.
- This risk number is based on historical data and may not be a reliable indicator of the future risk profile of the Fund.
- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

* Please note that this 'Risk and reward profile' section is based on Sterling Class 'X' shares, the nominated share class.

INVESTMENT ACTIVITIES OVER THE REPORT PERIOD

As at 2 December 2013, for the six months ended 30 November 2013

The fund has been taking an increasingly global approach over the past 18 months as we seek to expand its traditional focus away from the European high yield bond^[a] market. This theme continued as we steadily increased the portfolio's US exposure over the six-month review period and invested in bonds issued by a wide range of US businesses, including electricity generator AES and gas producer Chesapeake Energy.

High yield bonds declined early in the review period, although we did not believe the sell-off was warranted by any real change in fundamentals and thought the corporate environment remained favourable. However, with valuations looking more attractive following the sell-off, we took the opportunity to make a number of purchases, including bonds issued by global power generator Intergen and the AA, a provider of car insurance and breakdown cover in the UK.

We continue to favour the cable sector, and we purchased bonds issued by a number of companies, including Belgian provider Telenet. However, we sold the issue from Kabel Deutschland following strong performance and confirmation of the company's acquisition by Vodafone.

In terms of sector positioning, the fund's financial exposure grew over the six months and reached what we consider to be a neutral position relative to a comparable index by the end of the period. We invested further in bonds issued by some of our favoured financial names, including Citibank, Bank of America and JPMorgan.

The primary market has been buoyant throughout 2013, although we continue to be highly selective when deciding whether to invest due to the mixed quality of much of the new issuance. That said, we participated in a number of attractively priced new deals during the period, including one from South African retailer Edcon. Furthermore, we consider the healthy levels of issuance to be a positive development for the high yield market – as it becomes ever deeper and more diverse it should provide abundant opportunities for active fund managers.

Stefan Isaacs Fund manager

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

^[a] High yield bonds are interest-bearing loans issued by companies with a low credit rating. They therefore pay a higher rate of interest than their better quality counterparts to compensate investors for the greater possibility that the issuer might be unable to meet its obligations, or in other words, default.

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

M&G High Yield Corporate Bond Fund

FUND STATISTICS

DISTRIBUTION DATES AND FUND FACTS

Distribution type	xd	payment
Seventh interim	02.01.14	31.01.14
Eighth interim	03.02.14	28.02.14
Ninth interim	03.03.14	31.03.14
Tenth interim	01.04.14	30.04.14
Eleventh interim	01.05.14	31.05.14
Final	02.06.14	30.06.14
First interim	01.07.14	31.07.14
Second interim	01.08.14	31.08.14
Third interim	01.09.14	30.09.14
Fourth interim	01.10.14	31.10.14
Fifth interim	03.11.14	30.11.14
Sixth interim	01.12.14	31.12.14

	Interim distribution		Ongoing Charges Figure ^[b]	
	Inc 31.12.13 ^[a]	Acc 02.12.13 ^[a]	30.11.13	31.05.13
Sterling	p	p	%	%
Class 'A'	0.1448	0.3156	1.41	1.41
Class 'I'	3.5580	3.8316	0.81	0.82 ^[d]
Class 'R'	0.3188	0.3124	1.16	1.17 ^[d]
Class 'X'	0.1452	0.3180	1.41	1.41
Euro	¢	¢	%	%
Class 'A-H'	5.0221	4.6486	1.44	1.46
Class 'B-H'	n/a	3.7100	1.97 ^[c]	n/a
Class 'C-H'	n/a	5.5072	0.84	0.87
US dollar	¢	¢	%	%
Class 'A-H'	n/a	5.1252	1.44	1.46
Class 'C-H'	n/a	7.0854	0.84	0.86

^[a] The date on which the interim distribution will be paid to Income shareholders and credited to Accumulation shareholders.

^[b] The Ongoing Charges Figure is the ratio of the relevant annualised total disclosable costs of each share class from the most recent reporting period to the average net asset value for that share class over the same period.

^[c] The Ongoing Charges Figure shown here is an estimate of the charges, as the share class has not been in existence for a full financial year.

^[d] The comparative Ongoing Charges Figure shown here is an estimate of the charges, as the share class had not been in existence for a full financial year.

Income accrued from interest-bearing securities is distributed on an effective yield basis.

FUND PERFORMANCE

Performance of share classes

	Net asset value per share as at 30.11.13		Net asset value per share as at 31.05.13		Net asset value % change	
	Inc	Acc	Inc	Acc	Inc	Acc
Sterling	p	p	p	p	%	%
Class 'A'	51.17	112.67	50.49	109.05	+1.35	+3.32
Class 'I'	1,080.90	1,156.17	1,067.05	1,116.18	+1.30	+3.58
Class 'R'	108.09	115.17	106.70	111.37	+1.30	+3.41
Class 'X'	51.19	112.75	50.51	109.12	+1.35	+3.33
Euro	€	€	€	€	%	%
Class 'A-H'	12.2559	12.4969	n/a	12.0721	n/a	+3.52
Class 'B-H'	n/a	10.4034	n/a	n/a	n/a	n/a
Class 'C-H'	n/a	12.6955	n/a	12.2256	n/a	+3.84
US dollar	\$	\$	\$	\$	%	%
Class 'A-H'	n/a	12.6386	n/a	12.1921	n/a	+3.66
Class 'C-H'	n/a	12.9257	n/a	12.3501	n/a	+4.66

PERFORMANCE SINCE LAUNCH

	six months 03.06.13 %	one year 03.12.12 %	five years 02.12.08 % p.a. ^[a]	since launch % p.a. ^[a]
Sterling ^[b]				
Class 'A'	+4.2	+8.3	+12.2	+6.8 ^[c]
Class 'I'	+4.5	+8.9	n/a	+12.1 ^[d]
Class 'R'	+4.3	+8.6	n/a	+11.8 ^[d]
Class 'X'	+4.2	+8.3	+12.2	+5.6 ^[e]
Euro ^[f]				
Class 'A-H'	+4.4	+8.9	n/a	+8.0 ^[g]
Class 'B-H'	n/a	n/a	n/a	+4.8 ^[h]
Class 'C-H'	+4.8	+9.5	n/a	+8.6 ^[g]
US dollar ^[f]				
Class 'A-H'	+4.6	+9.3	n/a	+8.4 ^[g]
Class 'C-H'	+5.7	+10.8	n/a	+9.3 ^[g]

^[a] Shows the compound rate of return, per annum, over the period.

^[b] Bid to bid with net income reinvested.

^[c] 1 October 2002, the launch date of the share class.

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

^[e] 16 October 1998, the end of the initial offer period of the predecessor unit trust.

^[f] Bid to bid with gross income reinvested.

^[g] 10 December 2010, the launch date of the share class.

^[h] 26 July 2013, the launch date of the share class. Not annualised.

SINGLE YEAR PERFORMANCE (5 YEARS ENDING NOVEMBER)

From	30.11.12	30.11.11	30.11.10	30.11.09	28.11.08
To	29.11.13	30.11.12	30.11.11	30.11.10	30.11.09
	%	%	%	%	%
Sterling					
Class 'X'	+7.6	+20.9	-5.3	+9.5	+35.8

Source: Morningstar, Inc., bid to bid with net income reinvested.

M&G High Yield Corporate Bond Fund

FUND STATISTICS

PRICES

	Calendar year	Income shares		Accumulation shares	
		Highest	Lowest	Highest	Lowest
Sterling (net)		p	p	p	p
Class 'A'	2008 ^[a]	47.49	34.78	78.00	59.88
	2009	46.29	33.38	84.44	58.52
	2010	48.99	45.67	93.16	84.72
	2011	49.55	42.47	96.10	84.38
	2012	50.55	44.79	106.45	90.19
	2013 ^[b]	51.63	48.88	113.43	105.55
Class 'I'	2012 ^[c]	1,068.49	1,000.00	1,087.46	1,000.00
	2013 ^[b]	1,091.05	1,033.39	1,164.06	1,080.98
Class 'R'	2012 ^[c]	106.84	100.00	108.63	100.00
	2013 ^[b]	109.08	103.31	115.97	107.83
Class 'X'	2008 ^[a]	47.54	34.79	78.06	59.89
	2009	46.31	33.39	84.52	58.57
	2010	49.01	45.69	93.22	84.81
	2011	49.57	42.49	96.16	84.44
	2012	50.57	44.81	106.53	90.25
	2013 ^[b]	51.65	48.91	113.51	105.62
Euro (gross)		€	€	€	€
Class 'A-H'	2010 ^[d]	n/a	n/a	10.0923	10.0000
	2011	n/a	n/a	10.4996	9.2572
	2012	n/a	n/a	11.7501	9.9021
	2013 ^[b]	12.3793 ^[e]	11.9183 ^[e]	12.5860	11.6932
Class 'B-H'	2013 ^[b] ^[f]	n/a	n/a	10.4760	10.0000
Class 'C-H'	2010 ^[d]	n/a	n/a	10.0923	10.0000
	2011	n/a	n/a	10.5218	9.2990
	2012	n/a	n/a	11.8777	9.9648
	2013 ^[b]	n/a	n/a	12.7861	11.8463
US dollar (gross)		\$	\$	\$	\$
Class 'A-H'	2010 ^[d]	n/a	n/a	10.0937	10.0000
	2011	n/a	n/a	10.5045	9.2549
	2012	n/a	n/a	11.8484	9.9214
	2013 ^[b]	n/a	n/a	12.7289	11.8072
Class 'C-H'	2010 ^[d]	n/a	n/a	10.0939	10.0000
	2011	n/a	n/a	10.5299	9.2957
	2012	n/a	n/a	11.9783	9.9787
	2013 ^[b]	n/a	n/a	13.0242	11.9611

[a] On 1 September 2008, the fund's objective was changed.

[b] To 2 December 2013.

[c] From 3 August 2012 (the launch date of the share class).

[d] From 10 December 2010 (the launch date of the share class).

[e] From 12 July 2013 (the launch date of the income shares).

[f] From 26 July 2013 (the launch date of the share class).

Past performance is no indication of current or future performance and the performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.

The price of shares and the income from them may go down as well as up, and you may get back less than you invested.

INCOME

Interest income per share	Calendar year	Distributed		Reinvested	
		Interims	Final	Interims	Total
Sterling (net)		p	p	p	p
Class 'A'	2008	0.9180	0.1752	1.0888	2.1820
	2009	1.0828	0.1766	1.0158	2.2752
	2010	0.8560	0.1880	1.0783	2.1223
	2011	0.9680	0.1740	1.1780	2.3200
	2012	2.6348	0.2180	1.1760	4.0288
	2013 ^[a]	1.0740	0.1948	0.9824	2.2512
Class 'I'	2012	n/a	n/a	18.0424	18.0424
	2013 ^[a]	24.9702	4.3540	23.9328	53.2570
Class 'R'	2012	n/a	n/a	1.7242	1.7242
	2013 ^[a]	2.3748	0.4080	2.2124	4.9952
Class 'X'	2008	0.9156	0.1760	1.0932	2.1848
	2009	1.0803	0.1784	1.0164	2.2751
	2010	0.8560	0.1880	1.0789	2.1229
	2011	0.9680	0.1740	1.1800	2.3220
	2012	0.9416	0.2180	1.1780	2.3376
	2013 ^[a]	1.0708	0.1968	0.9868	2.2544
Euro (gross)		€	€	€	€
Class 'A-H'	2011	n/a	n/a	n/a	59.1957
	2012	n/a	n/a	n/a	65.5750
	2013 ^[a]	n/a	n/a	24.1757	24.1757
Class 'B-H'	2013 ^[a]	n/a	n/a	n/a	20.3489
Class 'C-H'	2011	n/a	n/a	n/a	64.2346
	2012	n/a	n/a	n/a	71.9257
	2013 ^[a]	n/a	n/a	n/a	73.8266
US dollar (gross)		¢	¢	¢	¢
Class 'A-H'	2011	n/a	n/a	n/a	59.5084
	2012	n/a	n/a	n/a	65.7355
	2013 ^[a]	n/a	n/a	n/a	68.1494
Class 'C-H'	2011	n/a	n/a	n/a	64.9879
	2012	n/a	n/a	n/a	72.3021
	2013 ^[a]	n/a	n/a	n/a	75.5765

[a] Up to interim: ex-distribution date 2 December 2013; payment date 31 December 2013.

M&G High Yield Corporate Bond Fund

FUND STATISTICS

NET ASSETS					
	Period ended	Value per share		Number of shares	
		Inc	Acc	Inc	Acc
Sterling					
Class 'A'	May 2011	48.68	95.09	266,511,470	202,959,202
	May 2012	45.53	93.58	329,527,470	278,691,202
	May 2013	50.49	109.05	361,095,470	314,522,202
	Nov 2013	51.17	112.67	334,201,470	284,147,202
Class 'I'	May 2013	1,067.05	1,116.18	1,420,300	719,000
	Nov 2013	1,080.90	1,156.17	2,589,700	1,981,500
Class 'R'	May 2013	106.70	111.37	1,595,000	62,000
	Nov 2013	108.09	115.17	1,770,000	60,000
Class 'X'	May 2011	48.70	95.15	1,394,199,642	114,508,960
	May 2012	45.55	93.65	1,338,287,642	118,303,960
	May 2013	50.51	109.12	1,279,987,642	131,091,960
	Nov 2013	51.19	112.75	1,250,271,642	130,268,960
Euro					
		€	€		
Class 'A-H'	May 2011	n/a	10.3926	n/a	38,000
	May 2012	n/a	10.2991	n/a	64,500
	May 2013	n/a	12.0721	n/a	147,800
	Nov 2013	12.2559	12.4969	25,500	172,700
Class 'B-H'	Nov 2013	n/a	10.4034	n/a	1,000
Class 'C-H'	May 2011	n/a	10.4165	n/a	2,500
	May 2012	n/a	10.3845	n/a	93,000
	May 2013	n/a	12.2256	n/a	179,900
	Nov 2013	n/a	12.6955	n/a	210,800
US dollar					
		\$	\$		
Class 'A-H'	May 2011	n/a	10.3980	n/a	2,000
	May 2012	n/a	10.3428	n/a	2,000
	May 2013	n/a	12.1921	n/a	44,500
	Nov 2013	n/a	12.6386	n/a	73,500
Class 'C-H'	May 2011	n/a	10.4249	n/a	2,000
	May 2012	n/a	10.4215	n/a	2,000
	May 2013	n/a	12.3501	n/a	1,052,600
	Nov 2013	n/a	12.9257	n/a	5,700
Total net asset value of sub-fund					
	Period ended	£		€ [a]	
	May 2011	1,111,087,000		1,272,948,000	
	May 2012	1,132,498,000		1,415,624,000	
	May 2013	1,352,184,000		1,583,230,000	
	Nov 2013	1,335,821,000		1,603,662,000	

[a] Based on the midday exchange rate on the last business day of each accounting period.

PORTFOLIO

PORTFOLIO STATEMENT

as at 30 November 2013

Holding [a]	Value £'000	30.11.13 %	31.05.13 %
'AAA' credit rated bonds			
€18,250,000 Germany (Federal Republic of) 0.25% 2014	15,208	1.14	
€20,000,000 Germany (Federal Republic of) 3.75% 2019	19,229	1.44	
£100,000,000 Treasury 2.25% 2014	100,495	7.52	
'AA' credit rated bonds			
€2,360,000 GE Capital Trust IV Var. Rate 2066 (4.625%)	2,002	0.15	0.57
£5,400,000 GE Capital Trust III Var. Rate 2067 (6.5%)	5,636	0.42	5.04
'A' credit rated bonds			
'BBB' credit rated bonds			
€9,166,000 America Movil Var. Rate 2073 (6.375%)	8,022	0.60	6.66
€5,550,000 American International Group Var. Rate 2067 (4.875%)	4,576	0.34	4.33
£5,500,000 American International Group Var. Rate 2067 (5.75%)	5,407	0.40	
€4,000,000 Delta Lloyd Levensverzekering Var. Rate 2042 (9%)	3,957	0.30	
£6,500,000 Friends Life 8.25% 2022	7,231	0.54	
€7,800,000 Generali Finance Var. Rate Perp. (5.479%)	6,390	0.48	
\$3,500,000 JPMorgan Chase 5.15% 2049	1,921	0.14	
\$3,000,000 JPMorgan Chase Var. Rate Perp. (6%)	1,767	0.13	
\$10,000,000 JPMorgan Chase Var. Rate Perp. (7.9%)	6,767	0.51	
€16,500,000 LBG Capital No.2 6.385% 2020	14,352	1.07	
€1,000,000 LBG Capital No.2 9.125% 2020	1,065	0.08	
£1,000,000 LBG Capital No.2 9.334% 2020	1,075	0.08	
£5,000,000 Lloyds Bank (formerly Lloyds TSB Bank) Var. Rate 2020 (6.9625%)	5,235	0.39	
\$6,300,000 Qwest 6.875% 2033	3,656	0.27	
€4,000,000 Société Générale Var. Rate Perp. (9.375%)	3,957	0.30	
\$8,200,000 UBS 4.75% 2023	4,962	0.37	
€4,000,000 Unicredit 5.75% 2025	3,395	0.25	
€6,200,000 Uniqa Insurance Var. Rate 2043 (6.875%)	5,526	0.41	
'BB' credit rated bonds			
£5,573,000 AA Bond Company 9.5% 2043	6,088	0.46	31.78
\$5,000,000 ADT 6.25% 2021	3,194	0.24	28.24
\$10,000,000 AES 7.375% 2021	6,900	0.52	
\$4,000,000 Altice Financing 7.875% 2019	2,660	0.20	
£6,500,000 Arrow Global Finance 7.875% 2020	6,784	0.51	
\$4,750,000 Banco Bilbao Vizcaya Argentaria Var. Rate Perp. (5.919%)	2,753	0.21	
\$10,000,000 Bank of America Var. Rate Perp. (8%)	6,756	0.51	
\$10,000,000 Bank of America Var. Rate Perp. (8.125%)	6,839	0.51	
\$5,000,000 Bombardier 5.75% 2022	3,045	0.23	
\$2,000,000 Bombardier 7.5% 2018	1,376	0.10	
\$6,300,000 Bombardier 7.75% 2020	4,386	0.33	
£11,000,000 Cabot Financial Luxembourg 10.375% 2019	12,485	0.93	
\$12,000,000 Calpine 7.5% 2021	8,005	0.60	
\$10,000,000 CCO Holdings Capital 6.5% 2021	6,380	0.48	
\$4,000,000 CenturyLink 5.625% 2020	2,475	0.19	
\$9,000,000 CenturyLink 5.8% 2022	5,419	0.41	
\$15,000,000 Chesapeake Energy 6.625% 2020	10,213	0.76	
\$2,000,000 Cimarex Energy 5.875% 2022	1,279	0.10	
\$2,500,000 Citigroup Var. Rate Perp. (5.9%)	1,431	0.11	

M&G High Yield Corporate Bond Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding ^[a]	Value £'000	30.11.13 %	31.05.13 %
'BB' credit rated bonds (continued)			
\$20,000,000 Citigroup Var. Rate Perp. (5.95%)	11,567	0.87	
\$10,000,000 Cogeco Cable 4.875% 2020	5,952	0.45	
€11,000,000 Commerzbank 7.75% 2021	10,457	0.78	
\$10,000,000 Concho Resources 5.5% 2023	6,188	0.46	
£4,770,000 CPUK Finance Var. Rate 2042	5,456	0.41	
\$3,000,000 Crestwood Midstream Partners 6.125% 2022	1,877	0.14	
\$2,000,000 Crown Americas 6.25% 2021	1,329	0.10	
£5,177,000 Crown Newco 7% 2018	5,409	0.40	
\$3,000,000 Denbury Resources 4.625% 2023	1,670	0.13	
\$5,000,000 Dish DBS 6.75% 2021	3,248	0.24	
\$400,000 Dresdner Funding Trust I 8.151% 2031	252	0.02	
€7,555,000 Fiat Finance & Trade 7.75% 2016	7,010	0.52	
£7,971,000 Finmeccanica Finance 8% 2019	8,944	0.67	
\$6,000,000 Frontier Communications 8.125% 2018	4,241	0.32	
\$2,000,000 Frontier Communications 8.5% 2020	1,398	0.10	
\$4,000,000 Gestamp Funding Luxembourg 5.625% 2020	2,480	0.19	
€4,714,000 Gestamp Funding Luxembourg 5.875% 2020	4,133	0.31	
£3,010,000 Grainger 5% 2020	3,049	0.23	
€7,100,000 Greif Luxembourg Finance 7.375% 2021	6,902	0.52	
\$12,500,000 HCA 6.5% 2020	8,453	0.63	
£5,900,000 Heathrow Finance 7.125% 2017	6,491	0.49	
£3,205,000 Ladbrokes Group Finance 7.625% 2017	3,561	0.27	
€1,710,000 Lafarge 4.75% 2020	1,495	0.11	
€5,000,000 Lafarge Var. Rate 2019 (6.75%)	4,781	0.36	
£1,400,000 Lafarge 10% 2017	1,671	0.12	
€12,000,000 Lowell Group Financing 10.75% 2019	13,573	1.02	
€3,536,000 MPT Operating Partnership 5.75% 2020	3,078	0.23	
€2,000,000 National Westminster Bank Var. Rate Perp.	1,487	0.11	
€3,600,000 OI European Group 4.875% 2021	3,135	0.23	
€5,037,000 OI European Group 6.75% 2020	4,878	0.36	
€4,000,000 Old Mutual 8% 2021	4,405	0.33	
£5,000,000 Old Mutual Var. Rate Perp. (6.376%)	4,822	0.36	
€1,500,000 OTE 6% 2015	1,312	0.10	
€1,100,000 OTE 4.625% 2016	935	0.07	
€1,600,000 OTE 7.875% 2018	1,491	0.11	
\$4,500,000 Petroleum Geo-Services 7.375% 2018	2,947	0.22	
€4,821,000 Picard Groupe FRN 2019	4,103	0.31	
\$2,500,000 R.R. Donnelley & Sons 6.5% 2023	1,523	0.11	
€3,000,000 RBS Capital Trust Var. Rate Perp. (4.243%)	2,227	0.17	
€17,000,000 Rexam Var. Rate 2067 (6.75%)	15,093	1.13	
€4,750,000 Royal Bank of Scotland 5.5% Perp.	3,363	0.25	
\$3,530,000 Royal Bank of Scotland 6.1% 2023	2,180	0.16	
\$2,000,000 Sable International 8.75% 2020	1,374	0.10	
€2,000,000 Sappi Papier Holding 6.625% 2018	1,759	0.13	
\$4,400,000 Sappi Papier Holding 7.75% 2017	2,922	0.22	
\$13,000,000 Sappi Papier Holding 8.375% 2019	8,752	0.65	
\$5,000,000 Sealed Air 8.125% 2019	3,450	0.26	
\$5,100,000 Silgan Holdings 5% 2020	3,070	0.23	
\$2,500,000 Sirius XM Holdings 4.25% 2020	1,461	0.11	
\$5,000,000 Sirius XM Holdings 5.75% 2021	3,098	0.23	
\$2,435,000 Smurfit Kappa Acquisitions 4.875% 2018	1,539	0.12	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding ^[a]	Value £'000	30.11.13 %	31.05.13 %
'BB' credit rated bonds (continued)			
€3,125,000 Smurfit Kappa Acquisitions 5.125% 2018	2,822	0.21	
€12,150,000 Smurfit Kappa Acquisitions 7.75% 2019	11,029	0.83	
\$8,000,000 Sprint Corporation 7.875% 2023	5,197	0.39	
\$2,000,000 Sprint Nextel 9% 2018	1,478	0.11	
\$3,000,000 Stora Enso 6.404% 2016	1,966	0.15	
CHF10,840,000 Sunrise Communications International 5.625% 2017	7,633	0.57	
CHF6,880,000 Sunrise Communications International 7% 2017	4,911	0.37	
€10,000,000 Sunrise Communications International 7% 2017	8,781	0.66	
\$10,477,000 Taylor Morrison Communities 7.75% 2020	7,021	0.53	
\$5,500,000 T-Mobile USA 5.25% 2018	3,502	0.26	
\$6,000,000 T-Mobile USA 6.464% 2019	3,903	0.29	
\$4,145,000 T-Mobile USA 6.633% 2021	2,653	0.20	
€15,000,000 UPCB Finance 7.625% 2020	13,482	1.01	
€26,750,000 UPCB Finance II 6.375% 2020	23,722	1.78	
\$3,000,000 Wind Acquisition Finance 7.25% 2018	1,909	0.14	
€10,977,000 Wind Acquisition Finance 7.375% 2018	9,660	0.72	
	33.94	39.95	
'B' credit rated bonds			
\$2,690,000 Agrokor 8.875% 2020	1,762	0.13	
€5,500,000 Agrokor 9.875% 2019	5,145	0.38	
CHF5,750,000 Aguila 3 7.875% 2018	4,112	0.31	
\$2,826,000 Aguila 3 7.875% 2018	1,835	0.14	
€3,000,000 Altice Finco 9% 2023	2,706	0.20	
€9,000,000 Ardagh Packaging Finance 7.375% 2017	8,031	0.60	
€12,875,000 Bakkavor Finance 2 8.25% 2018	13,708	1.03	
€6,898,000 Bank of Ireland 10% 2016	6,148	0.46	
€2,730,000 Bank of Ireland 10% 2020	2,618	0.20	
€5,685,000 Belden 5.5% 2023	4,624	0.35	
€3,750,000 Boardriders 8.875% 2017	3,317	0.25	
€3,400,000 Boparan Finance 9.875% 2018	3,736	0.28	
\$1,333,000 BreitBurn Energy 7.875% 2022	834	0.06	
€3,610,000 Cable & Wireless International 8.625% 2019	4,106	0.31	
€2,019,000 Cable Comm Systems 7.5% 2020	1,716	0.13	
€10,645,000 Carlson Wagonlit 7.5% 2019	9,558	0.72	
€17,168,000 Catalent Pharma Solutions 9.75% 2017	14,769	1.11	
\$2,638,000 Cemex España Luxembourg 9.875% 2019	1,814	0.14	
\$7,359,000 Cemex Finance 9.375% 2022 '144A'	4,984	0.37	
\$5,000,000 Cemex Finance 9.375% 2022 'REGS'	3,381	0.25	
\$4,000,000 Cemex SAB 5.875% 2019	2,396	0.18	
\$3,000,000 Cemex SAB 9% 2018	2,007	0.15	
\$3,500,000 Cemex SAB 9.5% 2018	2,405	0.18	
\$7,200,000 Chrysler 8% 2019	4,887	0.37	
\$3,000,000 Cincinnati Bell 8.375% 2020	1,976	0.15	
€8,000,000 Cirsa Funding Luxembourg 8.75% 2018	7,029	0.53	
\$3,000,000 Convatec Finance International 8.25% 2019	1,887	0.14	
€2,854,000 Deutsche Raststätten 6.75% 2020	2,455	0.18	
€3,389,000 Edcon (formerly Edcon Proprietary) 9.5% 2018	2,941	0.22	
€11,297,000 Edcon (formerly Edcon Proprietary) 9.5% 2018 '144A'	9,799	0.73	
\$2,350,000 Edcon (formerly Edcon Proprietary) 9.5% 2018	1,493	0.11	
€12,376,000 Elli Finance UK 8.75% 2019	13,706	1.03	

M&G High Yield Corporate Bond Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding ^[a]	Value £'000	30.11.13 %	31.05.13 %
'B' credit rated bonds (continued)			
£15,410,000 Exova 10.5% 2018	16,566	1.24	
€3,830,000 Findus Bond Company 9.125% 2018	3,496	0.26	
\$15,000,000 First Data 6.75% 2020	9,639	0.72	
\$3,530,000 First Quantum Minerals 7.25% 2019	1,998	0.15	
£10,000,000 Gala Group Finance 8.875% 2018	10,777	0.81	
€7,645,000 Inaer Aviation Finance 9.5% 2017	6,760	0.51	
€983,539 Ineos Group Holdings 7.875% 2016	828	0.06	
\$10,000,000 Intelsat Jackson 7.5% 2021	6,725	0.50	
£7,500,000 Intergen 7.5% 2021	7,766	0.58	
£5,297,000 Iron Mountain 7.25% 2014	5,300	0.40	
\$2,963,000 KB Home 7% 2021	1,825	0.14	
€9,250,000 Kerling 10.625% 2017	8,224	0.62	
£7,000,000 Matalan Finance 8.875% 2016	7,175	0.54	
CHF35,000,000 Matterhorn Mobile 6.75% 2019	25,693	1.92	
\$7,500,000 MGM Resorts International 6.625% 2021	4,831	0.36	
€2,727,272 Mobile Challenger 8.75% 2019	2,327	0.17	
\$7,550,000 Nara Cable Funding 8.875% 2018	4,956	0.37	
\$5,000,000 Nara Cable Funding 8.875% 2018 '144A'	3,259	0.24	
€13,000,000 New World Resources 7.875% 2018	8,116	0.61	
£5,000,000 Odeon & UCI Finco 9% 2018	5,017	0.38	
€13,250,000 Ontex 7.5% 2018	11,630	0.87	
£12,400,000 Phones4u Finance 9.5% 2018	13,027	0.97	
€1,602,000 Polish Television Holding 11% 2021	1,430	0.11	
€5,000,000 Refresco Group 7.375% 2018	4,480	0.34	
\$20,000,000 Reynolds Group 5.75% 2020	12,373	0.93	
\$10,000,000 Reynolds Group 7.125% 2019	6,533	0.49	
\$2,500,000 Rosetta Resources 5.875% 2022	1,509	0.11	
€6,617,000 S&B Minerals Finance 9.25% 2020	5,969	0.45	
\$5,300,000 Sandbridge Energy 7.5% 2021	3,368	0.25	
€2,500,000 Schaeffler Holding 6.875% 2018	2,218	0.17	
€5,105,000 Sisal Holding Istituto di Pagamento 7.25% 2017	4,310	0.32	
€7,000,000 Styrolution Group 7.625% 2016	6,138	0.46	
€3,000,000 Techem Energy Metering Service 7.875% 2020	2,789	0.21	
€9,500,000 Telenet Finance 6.375% 2020	8,480	0.63	
€2,500,000 Telenet Finance III 6.625% 2021	2,234	0.17	
€5,000,000 Telenet Finance V 6.25% 2022	4,394	0.33	
€3,260,000 Telenet Finance V 6.75% 2024	2,868	0.21	
\$818,000 Tenet Healthcare 6% 2020	524	0.04	
€2,590,000 Trionista Topco 6.875% 2021	2,255	0.17	
€2,000,000 TVN Finance III 7.875% 2018	1,764	0.13	
€1,579,000 TVN Finance III 7.375% 2020	1,396	0.10	
€5,964,000 Unilabs (Subholding) 8.5% 2018	5,102	0.38	
\$5,000,000 United Rentals North America 7.625% 2022	3,427	0.26	
€7,000,000 Unitymedia Hessen 7.5% 2019	6,324	0.47	
\$10,000,000 Unitymedia Hessen 7.5% 2019	6,671	0.50	
€16,509,000 Unitymedia Kabel 9.5% 2021	15,953	1.19	
CHF3,750,000 UPC Holding 6.75% 2023	2,590	0.19	
\$5,625,000 Valeant Pharmaceuticals 5.625% 2021	3,460	0.26	
€2,600,000 Verisure Holding 8.75% 2018	2,369	0.18	
€4,178,000 Verisure Holding FRN 2018	3,585	0.27	
£4,343,000 Virgin Media Finance 8.875% 2019	4,717	0.35	
\$2,900,000 Windstream 7.5% 2023	1,810	0.14	
\$1,000,000 Windstream 7.75% 2020	656	0.05	
€4,005,000 Xefin Lux 8% 2018	3,601	0.27	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding ^[a]	Value £'000	30.11.13 %	31.05.13 %
'CCC' credit rated bonds			
\$7,000,000 Alcatel Lucent 8.875% 2020	4,562	0.34	
€1,869,732 ARD Finance 11.125% 2018	1,667	0.12	
€6,150,000 Ardagh Glass Finance 7.125% 2017	5,259	0.39	
€4,300,000 Ardagh Glass Finance 8.75% 2020	3,782	0.28	
€3,000,000 Ardagh Packaging Finance 9.25% 2020	2,719	0.20	
€7,070,000 Beverage Packaging Holdings 9.5% 2017	6,108	0.46	
€2,000,000 CMA CGM 8.875% 2019	1,636	0.12	
€1,540,000 Edcon 13.375% 2019	1,360	0.10	
€9,000,000 GCL Holdings 9.375% 2018	8,117	0.61	
€4,000,000 Heckler & Koch 9.5% 2018	3,332	0.25	
€4,000,000 Matterhorn Mobile Holdings 8.25% 2020	3,636	0.27	
€22,830,000 Norcell Sweden Holding 10.75% 2019	21,228	1.59	
€5,798,366 R&R Ice Cream 9.25% 2018	4,978	0.37	
€1,223,000 SNAI 12% 2018	1,065	0.08	
€6,000,000 Stork Technical Services Holdings 11% 2017	4,966	0.37	
'CC' credit rated bonds			
€23,950,000 Codere Finance Luxembourg 8.25% 2015	10,997	0.82	
\$8,270,000 Codere Finance Luxembourg 9.25% 2019	2,701	0.20	
'D' credit rated bonds			
€8,568,000 Magyar Telecom 9.5% 2016	2,819	0.21	
Bonds with no credit rating			
€8,000,000 Abengoa 4.5% 2017 (Abengoa)	6,636	0.50	
£4,200,000 Arqiva Broadcast Finance 9.5% 2020	4,639	0.35	
\$11,000,000 Banco Bilbao Vizcaya Argentaria 9% Perp.	7,102	0.53	
€3,100,000 Bawag 8.125% 2023	2,687	0.20	
£3,000,000 Cattles 7.875% 2014 ^[b]	75	0.01	
\$7,000,000 Credit Suisse Guernsey Var. Rate 2041 (7.875%)	4,627	0.35	
€5,000,000 HeidelbergCement Finance 9.5% 2018	5,409	0.40	
€3,847,784 Hellas Telecom III 8.5% 2013 ^[b]	0	0.00	
£5,000,000 Pennon Group Var. Rate Perp. (6.75%)	5,279	0.39	
€2,721,000 Viridian Group Funding 11.125% 2017	2,509	0.19	
\$11,761,000 Viridian Group Funding 11.125% 2017	7,900	0.59	
Other securities ^[c]			
1,583 Polestar (Exchange Shares)	0	0.00	
Credit default swaps ^[c]			
\$(82,000,000) CDX North American High Yield Series 19 5 Year Dec 2017	4,546	0.34	
\$(112,000,000) Markit CDX North American High Yield Series 21 5 Year Dec 2018	4,874	0.36	
€(5,000,000) Virgin Media Finance Dec 2018	283	0.02	
Forward currency contracts			
€5,189,821 Bought for £4,353,091 (expires 24.12.13)	(29)	0.00	
€(109,542) Sold for £91,566 (expires 24.12.13)	0	0.00	
\$992,635 Bought for £619,814 (expires 24.12.13)	(12)	0.00	
€(661,041,209) Sold for £551,965,580 (expires 08.01.14)	1,192	0.09	
CHF(67,221,085) Sold for £45,656,015 (expires 08.01.14)	122	0.01	
\$(572,782,410) Sold for £354,140,519 (expires 08.01.14)	3,498	0.26	

M&G High Yield Corporate Bond Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding ^[a]	Value £'000	30.11.13 %	31.05.13 %
'AAA' rated money market funds ^[d]		4.22	2.43
£56,363,000 Northern Trust Global Fund - Sterling	56,363	4.22	
Portfolio of investments	1,317,708	98.64	97.41
Net other assets	18,113	1.36	2.59
Net assets attributable to shareholders	1,335,821	100.00	100.00

^[a] The underlying stock for each convertible bond is shown in brackets.

^[b] Defaulted bond.

^[c] Unquoted / unlisted.

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

COUNTERPARTY EXPOSURE

Counterparty	Financial derivative exposure		
	Credit default swaps £'000	Forward currency contracts £'000	Total as at 30.11.13 £'000
BNP Paribas	0	106	106
Credit Suisse	4,722	122	4,844
HSBC Bank	0	500	500
J.P.Morgan	4,981	476	5,457
Barclays Bank	0	3,392	3,392
UBS	0	216	216
State Street Bank	0	(41)	(41)
Total	9,703	4,771	14,474

PORTFOLIO TRANSACTIONS

for the six months ended 30 November 2013

Largest purchases	£'000
Treasury 2.25% 2014 (£)	100,718
US Treasury Bill 0% 2014 (\$)	82,191
10 Year US Treasury Note Aug 2023 (\$)	26,278
Germany (Federal Republic of) 3.75% 2019 (€)	19,589
LBG Capital No.2 6.385% 2020 (€)	14,457
Cabot Financial Luxembourg 10.375% 2019 (€)	11,373
Chesapeake Energy 6.625% 2020 (\$)	10,127
First Data 6.75% 2020 (\$)	9,743
HCA 6.5% 2020 (\$)	8,628
America Movil Var. Rate 2073 (6.375%) (€)	7,697
T-Mobile USA 5.25% 2018 (\$)	7,400
Intergen 7.5% 2021 (£)	7,389
Bank of America Var. Rate Perp. (8%) (\$)	6,999
JPMorgan Chase Var. Rate Perp. (7.9%) (\$)	6,970
AES 7.375% 2021 (\$)	6,949
CCO Holdings Capital 6.5% 2021 (\$)	6,821
Intelsat Jackson 7.5% 2021 (\$)	6,814
Generali Finance Var. Rate Perp. (€)	6,533
Concho Resources 5.5% 2023 (\$)	6,460
Catalent Pharma Solutions 9.75% 2017 (€)	6,314
Northern Trust Global Fund - Sterling ^[a]	293,675
Other purchases	254,063
Total purchases	907,188

Largest sales	£'000
US Treasury Bill 0% 2014 (\$)	82,109
US Treasury Bill 0% 2013 (\$)	55,817
Germany (Federal Republic of) 4.25% 2014 (€)	42,782
Germany (Federal Republic of) 0.25% 2014 (€)	26,709
10 Year US Treasury Note Aug 2023 (\$)	26,258
Unitymedia Kabel 9.5% 2021 (€)	21,601
Germany (Federal Republic of) 1.5% IL 2016 (€)	20,521
Intergen 9.5% 2017 (£)	14,443
Cabot Financial Luxembourg 10.375% 2019 (€)	13,641
Ineos Group Holdings 7.875% 2016 (€)	11,898
Kabel Deutschland 6.5% 2018 (€)	11,439
Intergen 9% 2017 (\$)	9,429
Smurfit Kappa Acquisitions 7.25% 2017 (€)	9,206
Sprint Nextel 8.375% 2017 (\$)	8,185
Cincinnati Bell 8.375% 2020 (\$)	7,832
Bank of Ireland 10% 2022 (€)	7,214
Bombardier 7.25% 2016 (€)	7,058
Société Générale Var. Rate Perp. (\$)	6,955
Mondi Consumer Packaging 9.75% 2020 (€)	6,121
Schmolz + Bickenback 9.875% 2019 (€)	6,040
Northern Trust Global Fund - Sterling ^[a]	270,107
Other sales	215,662
Total sales	881,027

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

M&G High Yield Corporate Bond Fund

INTERIM FINANCIAL STATEMENTS (unaudited)

For the six months ended 30 November 2013.

STATEMENT OF TOTAL RETURN

	2013		2012	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		16,921		92,795
Revenue	42,248		46,037	
Expenses	(9,352)		(8,599)	
Finance costs: Interest	(8)		(5)	
Net revenue before taxation	32,888		37,433	
Taxation	(114)		1	
Net revenue after taxation		32,774		37,434
Total return before distributions		49,695		130,229
Finance costs: Distributions		(32,773)		(37,446)
Change in net assets attributable to shareholders from investment activities		16,922		92,783

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	2013		2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,352,184		1,132,498
Amounts received on issue of shares	38,986		89,805	
Amounts paid on cancellation of shares	(82,139)		(25,571)	
		(43,153)		64,234
Stamp Duty Reserve Tax		52		0
Change in net assets attributable to shareholders from investment activities (see above)		16,922		92,783
Retained distributions on Accumulation shares		9,807		10,277
Unclaimed distributions		9		6
Closing net assets attributable to shareholders		1,335,821		1,299,798

The opening net assets attributable to shareholders for 2013 differs to the closing position in 2012 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

BALANCE SHEET

	as at 30 November 2013		as at 31 May 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		1,317,749		1,317,623
Debtors	46,496		35,179	
Cash and bank balances	11,107		19,600	
Total other assets		57,603		54,779
Total assets		1,375,352		1,372,402
Liabilities				
Investment liabilities		(41)		(521)
Creditors				
Net distributions payable on Income shares	(2,398)		(3,291)	
Other creditors	(37,092)		(16,406)	
Total other liabilities		(39,490)		(19,697)
Total liabilities		(39,531)		(20,218)
Net assets attributable to shareholders		1,335,821		1,352,184

NOTE TO THE FINANCIAL STATEMENTS

Accounting policies

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 31 May 2013. They are in accordance with the historical cost convention, as modified by the revaluation of investments, and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

M&G Index-Linked Bond Fund

AUTHORISED CORPORATE DIRECTOR'S REPORT

Investment objective of the M&G Index-Linked Bond Fund

The Fund aims to secure the value of capital and income from the effects of inflation with a long-term total return consistent with investment in index-linked bonds.

Investment policy of the M&G Index-Linked Bond Fund

The portfolio will focus mainly on index-linked debt instruments which may be government and public securities or corporate debt instruments. Non-sterling denominated securities may be held and, if deemed appropriate by the investment manager, the associated currency risks hedged. The Fund's exposure to index-linked, government and public securities or corporate debt may be gained through the use of derivatives. The Fund may also invest in other assets including collective investment schemes, other transferable securities, cash and near cash, deposits, warrants, money market instruments and other derivative instruments.

Investment approach

The M&G Index-Linked Bond Fund aims to secure the value of capital and income from the effects of inflation using a long-term total return approach consistent with investment in index-linked bonds. In order to increase the fund's yield, the manager may, where appropriate, invest in index-linked corporate bonds and in index-linked overseas bonds, in addition to index-linked UK sterling government bonds. Foreign currency exposure is at least 95% hedged to sterling.

Risk and reward profile*



- The above risk number is based on the rate at which the value of the Fund has moved up and down in the past.
- This risk number is based on historical data and may not be a reliable indicator of the future risk profile of the Fund.
- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

* Please note that this 'Risk and reward profile' section is based on Sterling Class 'A' shares, the nominated share class.

INVESTMENT ACTIVITIES OVER THE REPORT PERIOD

As at 2 December 2013, for the six months ended 30 November 2013

The main portfolio change over the review period was our duration positioning. Duration, or average maturity, is a measure of a bond's sensitivity to changes in yields. Bonds are loans in the form of a security, usually issued by a government (government bonds) or company (corporate bonds), which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid. Yield is the bond's prospective rate of return and has an inverse relationship to price. If a bond's yield goes up, its price goes down, and vice versa. In an environment of rising yields, bonds with a longer duration are normally worse off than their shorter duration counterparts.

In our view, the extent of the sell-off in bond markets during the summer of 2013 was excessive, specifically, we felt that the rise in yields was too sharp over a very short period of time. As a result, we took advantage of attractive valuations to lengthen the duration of the fund. That is to say, the average time until the final repayment dates of the loans held in the portfolio is now longer than its comparable index, the FTSE UK Gilts Index-Linked All Stocks Index, when previously it was shorter.

To achieve this, we added to our existing position in index-linked UK government bond^[a] issues maturing in 2024, which now represent our largest position in the portfolio. To fund this purchase, we sold some index-linked gilts with maturity dates of 2020, 2022 and 2017. As a result, a significant portion of the fund is currently invested in bonds with a medium-term maturity, between 10 and 20 years, where we believe yields appear attractively valued and offer good liquidity.

Mike Riddell
Fund manager

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

^[a] These bonds are interest-bearing loans issued by the UK government where the interest repayments and loan values are adjusted in line with inflation. They are designed to protect investors from the negative effect of rising consumer prices.

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

M&G Index-Linked Bond Fund

FUND STATISTICS

DISTRIBUTION DATES AND FUND FACTS

Distribution type	xd	payment
Final	02.06.14	31.07.14
Interim	01.12.14	31.01.15

	Interim distribution		Ongoing Charges Figure ^[b]	
	31.01.14 ^[a]	02.12.13 ^[a]	30.11.13	31.05.13
Sterling	p	p	%	%
Class 'A'	nil	nil	0.66	0.66
Class 'I'	nil	nil	0.56	0.56 ^[c]

^[a] The date on which the interim distribution will be paid to Income shareholders and credited to Accumulation shareholders.

^[b] The Ongoing Charges Figure is the ratio of the relevant annualised total disclosable costs of each share class from the most recent reporting period to the average net asset value for that share class over the same period.

^[c] The comparative Ongoing Charges Figure shown here is an estimate of the charges, as the share class had not been in existence for a full financial year.

FUND PERFORMANCE

Performance of share classes

	Net asset value per share as at 30.11.13		Net asset value per share as at 31.05.13		Net asset value % change	
	Inc	Acc	Inc	Acc	Inc	Acc
	p	p	p	p	%	%
Sterling						
Class 'A'	97.12	111.57	101.25	116.32	-4.08	-4.08
Class 'I'	1,035.69	1,037.05	1,079.23	1,080.62	-4.03	-4.03

PERFORMANCE SINCE LAUNCH

	six months	one year	five years	since
	03.06.13	03.12.12	02.12.08	launch
	%	%	% p.a. ^[a]	% p.a. ^[a]
Sterling ^[b]				
Class 'A'	-4.0	+2.7	+9.2	+5.8 ^[c]
Class 'I'	-4.0	+2.8	n/a	+3.3 ^[d]

^[a] Shows the compound rate of return, per annum, over the period.

^[b] Bid to bid with net income reinvested.

^[c] 4 October 1999, the end of the initial offer period of the predecessor unit trust.

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

SINGLE YEAR PERFORMANCE (5 YEARS ENDING NOVEMBER)

From	30.11.12	30.11.11	30.11.10	30.11.09	28.11.08
To	29.11.13	30.11.12	30.11.11	30.11.10	30.11.09
	%	%	%	%	%
Sterling					
Class 'A'	+3.3	-0.7	+24.7	+3.5	+19.2

Source: Morningstar, Inc., bid to bid with net income reinvested.

PRICES

	Calendar year	Income shares		Accumulation shares	
		Highest	Lowest	Highest	Lowest
Sterling (net)		p	p	p	p
Class 'A'	2008 ^[a]	73.48	62.51	81.54	70.12
	2009	75.03	66.23	84.32	73.99
	2010	79.24	71.60	89.83	80.81
	2011	95.86	75.89	109.74	86.38
	2012	97.07	90.12	111.12	103.38
	2013 ^[b]	106.08	92.49	121.86	106.31
Class 'I'	2012 ^[c]	1,017.59	960.50	1,019.13	960.40
	2013 ^[b]	1,130.67	986.29	1,132.32	987.76

^[a] On 1 September 2008, the fund's name and objective were changed.

^[b] To 2 December 2013.

^[c] From 3 August 2012 (the launch date of the share class).

Past performance is no indication of current or future performance and the performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.

The price of shares and the income from them may go down as well as up, and you may get back less than you invested.

INCOME

Interest income per share

	Calendar year	Interim	Distributed	Total	Reinvested
			Final	p	p
Sterling (net)		p	p	p	p
Class 'A'	2009	0.4256	0.3756	0.8012	0.8264
	2010	0.3600	0.3340	0.6940	0.7184
	2011	0.3020	0.2860	0.5880	0.5764
	2012	0.2180	0.1920	0.4100	0.3848
	2013 ^[a]	0.1460	nil	0.1460	nil
	2014 ^[a]	nil	-	nil	-
Class 'I'	2012	n/a	n/a	n/a	1.6920
	2013 ^[a]	1.6020	0.1360	1.7380	0.0100
	2014 ^[a]	nil	-	nil	-

^[a] Up to interim: ex-distribution date 2 December 2013; payment date 31 January 2014.

NET ASSETS

	Period ended	Value per share		Number of shares	
		Inc	Acc	Inc	Acc
Sterling		p	p		
Class 'A'	May 2011	80.77	92.25	76,257,202	167,522,828
	May 2012	94.94	108.90	106,748,202	248,799,828
	May 2013	101.25	116.32	89,177,202	226,139,828
	Nov 2013	97.12	111.57	75,597,202	181,420,828
Class 'I'	May 2013	1,079.23	1,080.62	1,454,700	781,000
	Nov 2013	1,035.69	1,037.05	2,257,700	4,083,500

Total net asset value of sub-fund

Period ended	£	€ ^[a]
May 2011	216,126,000	247,610,000
May 2012	372,275,000	465,345,000
May 2013	377,464,000	441,961,000
Nov 2013	341,554,000	410,038,000

^[a] Based on the midday exchange rate on the last business day of each accounting period.

M&G Index-Linked Bond Fund

PORTFOLIO

PORTFOLIO STATEMENT

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
'AAA' credit rated bonds		96.94	95.97
£10,000,000 Network Rail Infrastructure Finance 1.125% IL 2047	15,281	4.47	
£4,000,000 Network Rail Infrastructure Finance 1.375% IL 2037	6,111	1.79	
£1,000,000 Network Rail Infrastructure Finance 1.9618% IL 2025	1,609	0.47	
£3,500,000 Treasury 0.125% IL 2019	3,764	1.10	
£54,500,000 Treasury 0.125% IL 2024	58,359	17.09	
£41,750,000 Treasury 0.125% IL 2029	44,939	13.16	
£6,000,000 Treasury 0.125% IL 2044	6,348	1.86	
£37,833,000 Treasury 0.125% IL 2068	41,376	12.11	
£16,300,000 Treasury 0.25% IL 2052	18,361	5.38	
£300,000 Treasury 0.375% IL 2062	383	0.11	
£82,000 Treasury 0.5% IL 2050	113	0.03	
£793,000 Treasury 0.625% IL 2040	1,059	0.31	
£500,000 Treasury 0.625% IL 2042	695	0.20	
£4,000,000 Treasury 0.75% IL 2034	4,940	1.45	
£110,000 Treasury 0.75% IL 2047	166	0.05	
£300,000 Treasury 1.125% IL 2037	470	0.14	
£232,000 Treasury 1.25% IL 2017	336	0.10	
£23,793,000 Treasury 1.25% IL 2027	36,588	10.71	
£350,000 Treasury 1.25% IL 2032	501	0.15	
£1,000,000 Treasury 1.25% IL 2055	2,005	0.59	
£372,000 Treasury 1.875% IL 2022	553	0.16	
£84,000 Treasury 2.5% IL 2016	286	0.08	
£5,200,000 Treasury 2.5% IL 2020	18,980	5.56	
£16,313,000 Treasury 2.5% IL 2024	53,427	15.64	
£4,650,000 Treasury 4.125% IL 2030	14,450	4.23	
'AA' credit rated bonds		0.76	0.70
£1,900,000 Toyota Motor Credit 2.413% IL 2017	2,602	0.76	
'A' credit rated bonds		1.33	1.25
£450,000 DWR Cymru Financing 1.859% IL 2048	582	0.17	
£1,750,000 Heathrow Funding 3.334% IL 2041	2,767	0.81	
£200,000 National Grid Electricity Transmission 2.817% IL 2032	352	0.10	
£200,000 Southern Water Services Finance 3.816% IL 2023	335	0.10	
£319,000 Yorkshire Water Services 3.30666% IL 2033	492	0.15	
'BBB' credit rated bonds		0.76	0.71
£400,000 EDF Energy Networks 3.125% IL 2032	706	0.21	
£400,000 South East Water Finance 2.5329% IL 2041	568	0.17	
£500,000 Tesco 1.982% IL 2036	660	0.19	
£400,000 Tesco 4% IL 2016	666	0.19	
Bonds with no credit rating		0.00	0.49
Forward currency contracts		(0.01)	0.06
\$17,000,000 Bought for £10,502,904 (expires 12.02.14)	(93)	(0.03)	
\$(8,500,000) Sold for £5,266,419 (expires 12.02.14)	62	0.02	
'AAA' rated money market funds ^[a]		0.13	0.70
457,000 Northern Trust Global Fund - Sterling	457	0.13	
Portfolio of investments	341,256	99.91	99.88
Net other assets	298	0.09	0.12
Net assets attributable to shareholders	341,554	100.00	100.00

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

COUNTERPARTY EXPOSURE

Counterparty	Financial derivative exposure	
	Forward currency contracts £'000	Total as at 30.11.13 £'000
State Street Bank	(31)	(31)
Total	(31)	(31)

PORTFOLIO TRANSACTIONS

for the six months ended 30 November 2013

Purchases	£'000
Treasury 2.5% IL 2024 (£)	81,180
Treasury 0.125% IL 2024 (£)	55,929
Treasury 0.125% IL 2068 (£)	38,775
Treasury 1.25% IL 2027 (£)	36,034
Treasury 4.125% IL 2030 (£)	26,926
Treasury 1.875% IL 2022 (£)	25,695
Treasury 2.5% IL 2020 (£)	17,400
Treasury 0.125% IL 2019 (£)	17,184
Treasury 1.25% IL 2032 (£)	15,223
Treasury 0.25% IL 2052 (£)	14,431
Treasury 0.125% IL 2029 (£)	7,550
Northern Trust Global Fund - Sterling ^[a]	36,682
Total purchases	373,009
Sales	£'000
Treasury 0.125% IL 2044 (£)	77,221
Treasury 0.125% IL 2029 (£)	59,544
Treasury 2.5% IL 2020 (£)	50,546
Treasury 1.875% IL 2022 (£)	46,509
Treasury 2.5% IL 2024 (£)	27,048
Treasury 1.25% IL 2032 (£)	15,569
Treasury 1.25% IL 2017 (£)	14,720
Treasury 0.125% IL 2019 (£)	13,429
Treasury 0.25% IL 2052 (£)	13,021
Treasury 4.125% IL 2030 (£)	12,354
Treasury 0.75 IL 2034 (£)	8,595
Treasury 1.25% IL 2027 (£)	7,760
Treasury 2.5% IL 2016 (£)	4,280
Severn River Crossing 6.125% IL 2013 (£)	1,831
European Investment Bank 2.6% IL 2013 (£)	1,783
Northern Trust Global Fund - Sterling ^[a]	38,849
Total sales	393,059

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

M&G Index-Linked Bond Fund

INTERIM FINANCIAL STATEMENTS (unaudited)

For the six months ended 30 November 2013.

STATEMENT OF TOTAL RETURN

	2013		2012	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(11,388)		(7,612)
Revenue	(3,182)		5,266	
Expenses	(1,154)		(1,199)	
Finance costs: Interest	(1)		(2)	
Net (expense) / revenue before taxation	(4,337)		4,065	
Taxation	0		0	
Net (expense) / revenue after taxation		(4,337)		4,065
Total return before distributions		(15,725)		(3,547)
Finance costs: Distributions		7		(712)
Change in net assets attributable to shareholders from investment activities		(15,718)		(4,259)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	2013		2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		377,464		372,275
Amounts received on issue of shares	49,064		11,718	
Amounts paid on cancellation of shares	(69,261)		(35,832)	
		(20,197)		(24,114)
Stamp Duty Reserve Tax		5		0
Change in net assets attributable to shareholders from investment activities (see above)		(15,718)		(4,259)
Retained distributions on Accumulation shares		0		382
Closing net assets attributable to shareholders		341,554		344,284

The opening net assets attributable to shareholders for 2013 differs to the closing position in 2012 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

BALANCE SHEET

	as at 30 November 2013		as at 31 May 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		341,349		377,004
Debtors	959		658	
Cash and bank balances	1		139	
Total other assets		960		797
Total assets		342,309		377,801
Liabilities				
Investment liabilities		(93)		0
Creditors				
Net distributions payable on Income shares	0		(2)	
Other creditors	(662)		(335)	
Total other liabilities		(662)		(337)
Total liabilities		(755)		(337)
Net assets attributable to shareholders		341,554		377,464

NOTE TO THE FINANCIAL STATEMENTS

Accounting policies

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 31 May 2013. They are in accordance with the historical cost convention, as modified by the revaluation of investments, and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

M&G Index Tracker Fund

AUTHORISED CORPORATE DIRECTOR'S REPORT

Investment objective and policy of the M&G Index Tracker Fund

The Fund is designed to track the FTSE All-Share Index. The fund manager has full discretionary investment management powers within the confines of this investment objective of the Fund.

Investment approach

The M&G Index Tracker Fund is a UK fund that replicates the FTSE All-Share Index^[a]. The fund holds nearly all of the companies in the index and closely matches the weight that each represents in the FTSE All-Share Index.

^[a] The shares in the M&G Index Tracker Fund are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ('FTSE') or by the London Stock Exchange Limited (the 'Exchange') or by The Financial Times Limited ('FT') and neither FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE All-Share Index ('the Index') and / or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE nor Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE or Exchange or FT shall be under any obligation to advise any person of any error therein.

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Risk and reward profile*



- The above risk number is based on the rate at which the value of the Fund has moved up and down in the past.
- This risk number is based on historical data and may not be a reliable indicator of the future risk profile of the Fund.
- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

* Please note that this 'Risk and reward profile' section is based on Sterling Class 'A' shares, the nominated share class.

INVESTMENT ACTIVITIES OVER THE REPORT PERIOD

As at 2 December 2013, for the six months ended 30 November 2013

The six months under review was a relatively quiet period in terms of portfolio transactions. There was limited corporate activity, with no significant mergers or new listings to the index, which would normally have an effect on the holdings in the portfolio.

Instead, sales were carried out either to raise cash or in response to a decline in stock weightings in the index. This meant that adjustments needed to be made to holdings in the portfolio in order to keep them in line with the index. Notable sales over the period under review included reducing the positions in telecommunications company Vodafone, banking group HSBC, oil giant Royal Dutch Shell 'B', cigarette maker British American Tobacco and pharmaceutical firm GlaxoSmithKline.

Similarly, purchases were made to manage inflows to the fund and to adjust holdings to keep them in line with target weightings following increases to their value in the index. Significant purchases involved banks Barclays and Lloyds Banking Group, distribution firm DCC and mining concern Glencore Xstrata. In addition, soft drinks concern Coca Cola Hellenic Bottling Company was added to the portfolio. The stock was delisted from the Greek stockmarket and relisted on the London Stock Exchange, thus entering the index in the review period.

Richard O'Connor Fund manager

Richard O'Connor is an employee of M&G Limited which is an associate of M&G Securities Limited.

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

M&G Index Tracker Fund

FUND STATISTICS

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

DISTRIBUTION DATES AND FUND FACTS

Distribution type	xd	payment
Final	02.06.14	31.07.14
Interim	01.12.14	31.01.15

	Interim distribution Inc		Ongoing Charges Figure ^[b]	
	31.01.14 ^[a]	02.12.13 ^[a]	30.11.13	31.05.13
Sterling	p	p	%	%
Class 'A'	0.9773	1.4839	0.46	0.46
Class 'C'	1.0804	n/a	0.16	0.16

^[a] The date on which the interim distribution will be paid to Income shareholders and credited to Accumulation shareholders.

^[b] The Ongoing Charges Figure is the ratio of the relevant annualised total disclosable costs of each share class from the most recent reporting period to the average net asset value for that share class over the same period.

FUND PERFORMANCE

Performance of share classes

	Net asset value per share as at 30.11.13		Net asset value per share as at 31.05.13		Net asset value % change	
	Inc	Acc	Inc	Acc	Inc	Acc
Sterling	p	p	p	p	%	%
Class 'A'	66.20	101.97	64.70	98.21	+2.32	+3.83
Class 'C'	66.47	n/a	64.97	n/a	+2.31	n/a

The tracking difference between the fund's investment return and that of the FTSE All-Share Index for the 12 month period ending 30 November 2013 was -0.03%. The investment returns are calculated gross of fees using end of day pricing in order to be comparable with the index.

The historic tracking error of the investment return of the fund relative to the FTSE All-Share Index for the period ending 30 November 2013 was 0.08%, which falls within the predicted tracking error range of 0% to 0.30%. Historic tracking error is a measure of the monthly volatility of the investment returns relative to the index over a 36 month period.

The differences are due to the fund not fully replicating the FTSE All-Share Index.

PERFORMANCE SINCE LAUNCH

	six months 03.06.13 %	one year 03.12.12 %	five years 02.12.08 % p.a. ^[a]	since launch % p.a. ^[a]
Sterling ^[b]				
Class 'A'	+1.8	+14.7	+11.3	+1.9 ^[c]
Class 'C'	+1.7	+14.7	n/a	+12.7 ^[d]

^[a] Shows the compound rate of return, per annum, over the period.

^[b] Bid to bid excluding reinvested income.

^[c] 27 February 1998, the launch date of the predecessor unit trust.

^[d] 16 February 2012, the launch date of the share class.

SINGLE YEAR PERFORMANCE (5 YEARS ENDING NOVEMBER)

From To	30.11.12 29.11.13 %	30.11.11 30.11.12 %	30.11.10 30.11.11 %	30.11.09 30.11.10 %	28.11.08 30.11.09 %
Sterling					
Class 'A'	+19.3	+14.5	-0.6	+11.3	+29.8

Source: Morningstar, Inc., bid to bid with net income reinvested.

PRICES

Calendar year	Income shares		Accumulation shares		
	Highest	Lowest	Highest	Lowest	
Sterling (net)	p	p	p	p	
Class 'A'	2008	61.34	35.64	77.66	45.92
	2009	52.11	33.21	70.86	43.82
	2010	57.75	46.98	80.91	64.97
	2011	59.77	48.47	83.78	68.84
	2012 ^[a]	58.42 ^[b]	51.35	87.30 ^[b]	75.22
	2013 ^[c]	68.04	58.86	103.29	87.96
Class 'C'	2012 ^[a] ^[d]	58.67	51.55	n/a	n/a
	2013 ^[c]	68.41	59.12	n/a	n/a

^[a] The Prudential UK Index Tracker Trust merged into the M&G Index Tracker Fund immediately after 17 February 2012.

^[b] In the annual report for the year ended 31 May 2013, these figures were incorrectly stated as 58.30 and 86.99 respectively.

^[c] To 2 December 2013.

^[d] From 16 February 2012 (the launch date of the share class).

Past performance is no indication of current or future performance and the performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.

The price of shares and the income from them may go down as well as up, and you may get back less than you invested.

INCOME

Dividend income per share

Calendar year	Interim	Distributed Final	Reinvested		
			Total	p	
Sterling (net)	p	p	p	p	
Class 'A'	2009	0.9270	0.7710	1.6980	1.9955
	2010	0.7280	0.7160	1.4440	1.9441
	2011	0.7000	0.7920	1.4920	2.4569
	2012	0.9470	0.9140	1.8610	2.6390
	2013 ^[a]	0.8960	1.0258	1.9218	3.0143
	2014 ^[a]	0.9773	-	0.9773	-
Class 'C'	2012	n/a	0.7490	0.7490	n/a
	2013	0.9850	1.1241	2.1091	n/a
	2014 ^[a]	1.0804	-	1.0804	n/a

^[a] Up to interim: ex-distribution date 2 December 2013; payment date 31 January 2014.

M&G Index Tracker Fund

FUND STATISTICS

NET ASSETS

	Period ended	Value per share		Number of shares	
		Inc	Acc	Inc	Acc
Sterling		p	p		
Class 'A'	May 2011	58.18	82.61	491,523,591	144,626,701
	May 2012	51.68	76.02	503,557,268	143,309,230
	May 2013	64.70	98.21	465,941,268	133,203,230
	Nov 2013	66.20	101.97	469,209,268	132,910,230
Class 'C'	May 2012	51.88	n/a	87,339,952	n/a
	May 2013	64.97	n/a	83,512,952	n/a
	Nov 2013	66.47	n/a	81,591,952	n/a

Total net asset value of sub-fund

Period ended	£	€ [a]
May 2011	405,438,000	464,526,000
May 2012	414,474,000	518,093,000
May 2013	486,534,000	569,666,000
Nov 2013	500,362,000	600,688,000

[a] Based on the midday exchange rate on the last business day of each accounting period.

PORTFOLIO

PORTFOLIO STATEMENT

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 [a] %
Oil & gas producers		13.73	14.77
270,346 Afren	439	0.09	
823,812 BG Group	10,392	2.08	
4,539,712 BP	21,886	4.37	
147,094 Cairn Energy	406	0.08	
175,823 EnQuest	242	0.05	
78,477 Essar Energy	64	0.01	
34,869 Exillon Energy	93	0.02	
342,096 Fortune Oil	32	0.01	
16,178 Hardy Oil & Gas	14	0.00	
48,176 Heritage Oil	78	0.02	
26,260 JKC Oil & Gas	19	0.00	
123,714 Ophir Energy	418	0.08	
128,745 Premier Oil	400	0.08	
919,269 Royal Dutch Shell 'A'	18,882	3.77	
613,212 Royal Dutch Shell 'B'	13,163	2.63	
15,000 RusPetro	5	0.00	
63,858 Salamander Energy	65	0.01	
57,952 Soco International	231	0.05	
218,540 Tullow Oil	1,907	0.38	
Oil equipment, services & distribution		0.57	0.60
73,919 AMEC	838	0.17	
28,743 Cape	79	0.02	
36,317 Hunting	290	0.06	
83,401 John Wood Group	660	0.13	
20,000 Kentz	118	0.02	
47,192 Lamprell	70	0.01	
63,559 Petrofac	807	0.16	
Chemicals		0.72	0.70
67,840 Alent	226	0.05	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 [a] %
Chemicals (continued)			
88,198 AZ Electronic Materials	241	0.05	
15,087 Carclo	42	0.01	
32,709 Croda International	770	0.15	
105,328 Elementis	273	0.05	
50,235 Johnson Matthey	1,601	0.32	
60,858 Synthomer	143	0.03	
18,906 Victrex	306	0.06	
Forestry & paper		0.18	0.16
89,114 Mondi	900	0.18	
Industrial metals & mining		0.04	0.05
82,188 Evraz	89	0.02	
42,743 Ferrexpo	78	0.02	
80,909 International Ferro Metals	8	0.00	
314,482 Talvivaara Mining Company	17	0.00	
Mining		6.94	7.29
29,524 African Barrick Gold	52	0.01	
317,421 Anglo American	4,342	0.87	
26,938 Anglo Pacific Group	54	0.01	
86,986 Antofagasta	697	0.14	
114,924 Aquarius Platinum	51	0.01	
510,888 BHP Billiton	9,563	1.91	
22,036 Bumi	47	0.01	
260,758 Centamin	109	0.02	
42,625 Fresnillo	359	0.07	
29,397 Gem Diamonds	42	0.01	
2,316,183 Glencore Xstrata	7,258	1.45	
42,916 Hochschild Mining	61	0.01	
66,302 Kazakhmys	159	0.03	
626,476 Kenmare Resources	125	0.02	
11,273 Kenmare Resources Wts. 2019	-	0.00	
104,682 Lonmin	328	0.07	
25,869 New World Resources	20	0.00	
95,780 Petra Diamonds	103	0.02	
43,656 Petropavlovsk	27	0.01	
48,066 Polymetal International	260	0.05	
22,385 Randgold Resources	960	0.19	
302,033 Rio Tinto	9,938	1.99	
24,685 Vedanta Resources	222	0.04	
Construction & materials		0.85	0.73
165,641 Balfour Beatty	448	0.09	
10,366 Costain Group	31	0.01	
177,081 CRH	2,773	0.55	
20,213 Galliford Try	219	0.04	
28,988 Henry Boot	58	0.01	
18,581 Keller Group	197	0.04	
13,193 Kier Group	233	0.05	
70,763 Low & Bonar	51	0.01	
39,545 Marshalls	68	0.01	
7,462 Morgan Sindall	57	0.01	
143,713 Norcross	31	0.01	
40,000 Tyman	92	0.02	
Aerospace & defence		2.36	2.37
6,707 Avon Rubber	38	0.01	
789,938 BAE Systems	3,420	0.68	
48,122 Chemring Group	101	0.02	
262,545 Cobham	696	0.14	
193,714 Meggitt	965	0.19	
153,121 QinetiQ Group	333	0.07	
455,196 Rolls-Royce Holdings	5,663	1.13	
96,351 Senior	278	0.06	
16,139 Ultra Electronics Holdings	298	0.06	

M&G Index Tracker Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
General industrials			
6,871 British Polythene Industries	50	0.01	0.70
217,538 DS Smith	672	0.13	0.69
192,333 Rexam	971	0.19	
40,579 RPC Group	203	0.04	
96,039 Smiths Group	1,321	0.26	
67,840 Vesuvius	333	0.07	
Electronic & electrical equipment			
7,665 Dialight	72	0.01	0.49
26,420 Domino Printing Sciences	184	0.04	0.46
49,560 e2v Technologies	76	0.02	
89,388 Halma	529	0.11	
69,363 Morgan Advanced Materials	203	0.04	
13,436 Oxford Instruments	204	0.04	
8,968 Renishaw	166	0.03	
28,787 Spectris	706	0.14	
55,780 TT electronics	110	0.02	
14,936 Volex	17	0.00	
17,246 Xaar	172	0.03	
3,641 XP Power	53	0.01	
Industrial engineering			
46,912 Bodycote	284	0.06	1.01
46,004 Fenner	204	0.04	0.99
152 Goodwin	5	0.00	
15,645 Hill & Smith Holdings	83	0.02	
76,927 IMI	1,136	0.23	
310,481 Melrose Industries (formerly Melrose)	910	0.18	
67,066 Renold	34	0.01	
21,178 Rotork	599	0.12	
69,710 Severfield-Rowen	43	0.01	
17,949 Spirax-Sarco Engineering	529	0.11	
11,460 Vitec Group	72	0.01	
51,620 Weir Group	1,113	0.22	
Industrial transportation			
115,543 BBA Aviation	376	0.08	0.16
3,455 Braemar Shipping Services	19	0.00	0.12
4,179 Clarkson	83	0.02	
10,291 James Fisher & Sons	116	0.02	
74,400 Stobart Group	104	0.02	
4,535 UK Mail Group	27	0.01	
30,574 Wincanton	38	0.01	
Support services			
61,821 Aggreko	985	0.20	4.39
123,773 Ashtead Group	866	0.17	4.23
87,811 Babcock International Group	1,139	0.23	
40,469 Berendsen	372	0.07	
28,641 Brammer	129	0.03	
81,196 Bunzl	1,135	0.23	
160,249 Capita Group	1,593	0.32	
101,127 Carillion	305	0.06	
19,817 DCC	574	0.11	
23,266 De La Rue	208	0.04	
26,590 Diploma	188	0.04	
102,107 Electrocomponents	299	0.06	
54,282 Essentra (formerly Filtrona)	445	0.09	
245,395 Experian	2,770	0.55	
381,112 G4S	999	0.20	
327,109 Hays	402	0.08	
67,066 Hogg Robinson	51	0.01	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
Support services (continued)			
76,673 Homeserve	198	0.04	
150,863 Howden Joinery Group	485	0.10	
9,981 Hyder Consulting	62	0.01	
29,356 Interserve	192	0.04	
39,407 Intertek Group	1,203	0.24	
11,593 John Menzies	90	0.02	
39,138 Lavendon Group	70	0.01	
86,408 Management Consulting Group	23	0.00	
21,982 Mears Group	98	0.02	
76,778 Michael Page International	357	0.07	
85,169 Mitie Group	264	0.05	
31,624 Northgate	130	0.03	
15,904 PayPoint	168	0.03	
84,583 Premier Farnell	188	0.04	
168,482 Regus	333	0.07	
445,112 Rentokil Initial	471	0.09	
13,784 Ricardo	79	0.02	
16,475 Robert Walters	51	0.01	
52,457 RPS Group	163	0.03	
122,935 Serco Group	563	0.11	
93,455 Shanks Group	101	0.02	
150,196 SIG	323	0.06	
45,441 Smiths News	100	0.02	
121,687 Speedy Hire	65	0.01	
21,448 St. Ives	38	0.01	
27,858 STThree	91	0.02	
59,381 Travis Perkins	1,065	0.21	
3,773 Vp	20	0.00	
24,108 W.S. Atkins	323	0.06	
65,875 Wolseley	2,195	0.44	
51,002 Xchanging	77	0.02	
		0.30	0.23
Automobiles & parts			
394,337 GKN	1,489	0.30	
		4.11	4.10
Beverages			
23,514 A.G. Barr	130	0.03	
56,959 Britvic	387	0.08	
48,000 Coca-Cola Hellenic	824	0.16	
609,550 Diageo	11,953	2.39	
228,697 SABMiller	7,233	1.45	
		2.16	2.34
Food producers			
6,813 Anglo-Eastern Plantations	45	0.01	
85,143 Associated British Foods	1,951	0.39	
10,145 Cranswick	118	0.02	
31,306 Dairy Crest Group	163	0.03	
37,445 Devro	110	0.02	
101,495 Greencore	194	0.04	
11,578 Hilton Food Group	49	0.01	
54,084 Premier Foods	66	0.01	
115,438 Tate & Lyle	904	0.18	
292,944 Unilever	7,253	1.45	
		2.40	2.34
Household goods & home construction			
16,201 Aga Rangemaster Group	24	0.00	
239,007 Barratt Developments	787	0.16	
30,167 Bellway	434	0.09	
29,848 Berkeley Group Holdings	701	0.14	
32,574 Bovis Homes Group	254	0.05	
40,000 Crest Nicholson Holdings	141	0.03	
16,709 Headlam Group	67	0.01	
44,304 McBride	47	0.01	
73,525 Persimmon	854	0.17	
157,044 Reckitt Benckiser	7,717	1.54	

M&G Index Tracker Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
Household goods & home construction (continued)			
64,091 Redrow	179	0.04	
746,055 Taylor Wimpey	797	0.16	
Leisure goods			
58,700 Photo-Me International	84	0.02	0.01
Personal goods			
106,841 Burberry Group	1,639	0.33	0.39
72,948 PZ Cussons	289	0.06	
6,686 SuperGroup	80	0.02	
Tobacco			
464,836 British American Tobacco	15,147	3.03	4.76
235,145 Imperial Tobacco	5,467	1.09	
Healthcare equipment & services			
7,947 Consort Medical	70	0.01	0.39
17,657 Optos	30	0.01	
219,070 Smith & Nephew	1,785	0.36	
17,806 Synergy Health	188	0.04	
Pharmaceuticals & biotechnology			
303,107 AstraZeneca	10,556	2.11	7.17
83,964 BTG	469	0.09	
20,081 Dechra Pharmaceuticals	137	0.03	
14,815 Genus	184	0.04	
1,190,287 GlaxoSmithKline	19,241	3.85	
33,670 Hikma Pharmaceuticals	405	0.08	
135,717 Shire	3,731	0.75	
67,883 Vectura Group	76	0.02	
Food & drug retailers			
358,830 Booker Group	595	0.12	2.23
21,966 Greggs	98	0.02	
338,813 J Sainsbury	1,386	0.28	
86,505 Ocado Group	353	0.07	
1,958,420 Tesco	6,825	1.36	
45,952 United Drug	143	0.03	
532,030 WM Morrison Supermarkets	1,411	0.28	
General retailers			
9,782 Carpetright	58	0.01	1.82
116,804 Darty	101	0.02	
306,023 Debenhams	297	0.06	
12,863 Dignity	172	0.03	
858,460 Dixons Retail	446	0.09	
19,683 Dunelm Group	176	0.04	
10,973 Findel	28	0.01	
48,578 Halfords Group	239	0.05	
195,094 Home Retail Group	376	0.08	
108,537 Inchcape	650	0.13	
4,789 JD Sports Fashion	64	0.01	
578,916 Kingfisher	2,163	0.43	
61,504 Laura Ashley Holdings	16	0.00	
48,391 Lookers	59	0.01	
392,634 Marks & Spencer Group	1,913	0.38	
18,498 Mothercare	70	0.01	
48,869 N Brown Group	264	0.05	
38,370 NEXT	2,111	0.42	
302,638 Pendragon	105	0.02	
51,239 Sports Direct International	379	0.08	
7,563 Ted Baker	152	0.03	
23,713 Topps Tiles	28	0.01	
32,136 WH Smith	306	0.06	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
Media			
9,581 4imprint Group	59	0.01	2.81
11,581 Bloomsbury Publishing	20	0.00	
242,896 British Sky Broadcasting Group	1,992	0.40	
34,934 Centaur Media	19	0.00	
19,209 Chime Communications	60	0.01	
10,593 Euromoney Institutional Investor	131	0.03	
51,271 Huntsworth	34	0.01	
147,284 Informa	821	0.16	
64,604 ITE Group	199	0.04	
880,817 ITV	1,683	0.34	
83,728 Moneysupermarket.com	152	0.03	
197,467 Pearson	2,664	0.53	
19,162 Perform Group	84	0.02	
292,989 Reed Elsevier	2,590	0.52	
25,201 Rightmove	643	0.13	
58,726 Trinity Mirror	105	0.02	
56,354 UBM	385	0.08	
19,037 UTV Media	40	0.01	
10,474 Wilmington Group	23	0.00	
321,085 WPP (formerly WPP Group)	4,360	0.87	
Travel & leisure			
19,456 888 Holdings	32	0.01	3.09
24,629 Belfair Group	252	0.05	
147,257 bwin.party digital entertainment	187	0.04	
44,790 Carnival	1,003	0.20	
38,013 Cineworld	141	0.03	
441,365 Compass Group	4,100	0.82	
28,616 Dominos Pizza	156	0.03	
63,536 easyJet	909	0.18	
104,369 Enterprise Inns	145	0.03	
283,416 FirstGroup	326	0.07	
8,404 Fuller Smith & Turner 'A'	83	0.02	
9,796 Go-Ahead Group	159	0.03	
49,842 Greene King	432	0.09	
66,913 InterContinental Hotels Group	1,280	0.26	
435,910 International Consolidated Airlines Group	1,605	0.32	
29,673 J.D.Wetherspoon	211	0.04	
213,333 Ladbrokes	374	0.08	
130,101 Marston's	191	0.04	
38,526 Millennium & Copthorne Hotels	226	0.05	
63,496 Mitchells & Butlers	264	0.05	
119,680 National Express	314	0.06	
29,306 Playtech	203	0.04	
136,182 Punch Taverns	15	0.00	
29,036 Rank Group	41	0.01	
47,418 Restaurant Group	273	0.06	
134,639 Spirit Publishing	98	0.02	
103,753 Stagecoach Group	382	0.08	
349,000 Thomas Cook Group	617	0.12	
131,677 TUI Travel	490	0.10	
7,071 Wembley	0	0.00	
44,471 Whitbread	1,587	0.32	
211,828 William Hill	813	0.16	
Fixed line telecommunications			
1,916,012 BT Group	7,189	1.44	1.39
584,927 Cable & Wireless Communications	277	0.06	
81,402 Colt Group	104	0.02	
132,444 KCOM Group	131	0.03	
126,332 TalkTalk Telecom	341	0.07	
11,631 Telecom Plus	219	0.04	
332 Telecom Plus (subscription shares)	0	0.00	

M&G Index Tracker Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
Mobile telecommunications			
103,700 Inmarsat	720	0.14	4.86
11,761,000 Vodafone Group	26,921	5.38	
Electricity			
98,483 Drax Group	682	0.14	0.88
231,637 SSE	3,090	0.62	
Gas, water & multi-utilities			
1,241,700 Centrica	4,222	0.84	3.06
899,226 National Grid	6,969	1.39	
89,998 Pennon Group	582	0.12	
57,360 Severn Trent	1,007	0.20	
166,499 United Utilities	1,097	0.22	
Banks			
6,237 Bank of Georgia Holdings	143	0.03	11.85
3,914,801 Barclays	10,642	2.13	12.06
4,541,218 HSBC Holdings	30,980	6.19	
11,598,304 Lloyds Banking Group	8,930	1.78	
492,505 Royal Bank of Scotland Group	1,625	0.32	
479,947 Standard Chartered	6,983	1.40	
Non-life insurance			
48,519 Admiral Group	606	0.12	1.00
119,823 Amlin	540	0.11	0.91
117,981 Beazley	291	0.06	
82,314 Catlin Group	449	0.09	
258,490 Direct Line Insurance Group	606	0.12	
60,000 esure	153	0.03	
85,568 Hiscox	581	0.12	
34,828 Jardine Lloyd Thompson Group	356	0.07	
40,879 Lancashire Holdings	321	0.06	
13,566 Novae Group	80	0.02	
924,019 RSA Insurance Group	982	0.20	
Life insurance			
707,883 Aviva	3,069	0.61	4.17
22,584 Chesnara	67	0.01	3.84
1,434,559 Legal & General Group	3,070	0.61	
1,170,789 Old Mutual	2,328	0.47	
35,000 Partnership Assurance Group	107	0.02	
40,560 Phoenix Group	287	0.06	
622,247 Prudential	8,133	1.63	
331,880 Resolution	1,140	0.23	
96,577 St. James's Place	612	0.12	
578,036 Standard Life	2,040	0.41	
Real estate investment & services			
172,334 Capital & Counties Properties	569	0.11	0.49
92,191 Capital & Regional	38	0.01	0.44
5,748 CLS Holdings	70	0.01	
36,000 Countrywide	192	0.04	
983 Daejan Holdings	42	0.01	
28,502 Development Securities	64	0.01	
123,795 F&C Commercial Property Trust	146	0.03	
49,503 F&C UK Real Estate	41	0.01	
73,935 Grainger Trust	149	0.03	
29,362 Helical Bar	98	0.02	
23,460 LSL Property Services	97	0.02	
76,465 Medix Fund	62	0.01	
72,327 Picton Property Income	39	0.01	
101,504 Quintain Estates & Development	94	0.02	
125,378 Raven Russia	99	0.02	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
Real estate investment & services (continued)			
43,076 Safestore	68	0.01	
31,357 Savills	202	0.04	
85,961 Schroder Real Estate Investment Trust	42	0.01	
36,718 St. Modwen Properties	131	0.03	
25,908 Standard Life Investment Property Income Trust	18	0.00	
86,019 UK Commercial Property Trust	66	0.01	
38,642 UNITE Group	154	0.03	
Real estate investment trusts			
6,335 A&J Mucklow Group	31	0.01	1.50
28,198 Big Yellow Group	136	0.03	1.47
247,960 British Land	1,522	0.30	
21,958 Derwent London	536	0.11	
80,721 Great Portland Estates	473	0.09	
176,813 Hammerson	909	0.18	
156,229 Hansteen Holdings	169	0.03	
165,487 Intu Properties	538	0.11	
191,901 Land Securities Group	1,836	0.37	
170,963 LondonMetric Property	223	0.04	
9,136 McKay Securities Group	17	0.00	
17,468 Primary Health Properties	58	0.01	
174,711 Segro	587	0.12	
58,505 Shaftesbury	362	0.07	
7,700 Town Centre Securities	18	0.00	
31,907 Workspace Group	163	0.03	
Financial services			
227,450 3i Group	843	0.17	2.04
221,108 Aberdeen Asset Management	1,088	0.22	1.98
86,713 Ashmore Group	343	0.07	
59,960 Brewin Dolphin Holdings	163	0.04	
6,472 Charles Taylor Consulting	15	0.00	
34,137 Close Brothers Group	461	0.09	
128,393 F&C Asset Management	119	0.02	
55,317 Hargreaves Lansdown	674	0.13	
262,625 Henderson Group	562	0.11	
131,171 ICAP	546	0.11	
84,546 IG Group Holdings	495	0.10	
93,337 Intermediate Capital Group	397	0.08	
61,570 International Personal Finance	365	0.07	
120,487 Investec	522	0.11	
87,689 IP Group	160	0.03	
81,505 Jupiter Fund Management	319	0.06	
32,774 LMS Capital	24	0.00	
43,019 London Stock Exchange	695	0.14	
427,144 Man Group	381	0.08	
72,188 Paragon Group of Companies	252	0.05	
32,304 Provident Financial	518	0.10	
10,371 Rathbone Brothers	164	0.03	
27,740 Schroders	690	0.14	
68,448 SVG Capital	279	0.06	
52,033 Tullett Prebon	173	0.03	
Equity investment instruments			
153,559 3i Infrastructure	195	0.04	3.22
49,232 Aberdeen Asian Income Fund	99	0.02	3.22
8,544 Aberdeen Asian Smaller Companies Investment Trust	77	0.02	
29,965 Aberdeen New Dawn Investment Trust	52	0.01	
27,450 Aberdeen UK Tracker Trust	85	0.02	
23,204 Aberforth Smaller Companies Trust	237	0.05	
28,743 Acencia Debt Strategies	28	0.01	
16,705 Advance Developing Markets Trust	72	0.01	
140,450 Alliance Trust	629	0.13	
5,480 Alternative Investment Strategies	7	0.00	

M&G Index Tracker Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
Equity investment instruments (continued)			
11,508 Artemis Alpha Trust	34	0.01	
1,001 Artemis Alpha Trust (Subscription shares)	0	0.00	
18,284 Asian TR	34	0.01	
47,904 BACIT Investment Trust	57	0.01	
23,000 BACIT Investment Trust Class 'C'	23	0.00	
16,767 Baillie Gifford Japan Trust	61	0.01	
26,893 Bankers Investment Trust	158	0.03	
5,733 Baring Emerging Europe	44	0.01	
7,516 BH Global (Sterling shares)	91	0.02	
3,604 BH Global (US dollar shares)	26	0.01	
3,734 BH Macro (Euro shares)	62	0.01	
10,152 BH Macro (Sterling shares)	211	0.04	
8,015 BH Macro (US dollar shares)	97	0.02	
14,371 Biotech Growth Trust	62	0.01	
19,051 BlackRock Commodities Income Investment Trust	21	0.00	
9,170 BlackRock Emerging Europe (formerly Eastern European Trust)	25	0.00	
19,162 BlackRock Frontier Investment Trust	22	0.00	
5,410 BlackRock Greater Europe Investment Trust (Subscription shares)	2	0.00	
9,332 BlackRock Latin American Investment Trust	42	0.01	
42,172 BlackRock New Energy Technology	18	0.00	
15,746 BlackRock Smaller Companies Investment Trust	130	0.03	
44,057 BlackRock World Mining Trust	198	0.04	
119,052 Bluecrest Allblue Investment Trust	208	0.04	
80,000 Bluefield Solar Income Fund	78	0.02	
70,554 British Assets Trust	98	0.02	
37,724 British Empire Securities & General Trust	187	0.04	
7,952 Brunner Investment Trust	40	0.01	
10,566 Caledonia Investments	201	0.04	
4,644 Candover Investments	18	0.00	
646 Capital Gearing Trust	22	0.00	
15,860 City Merchants High Yield Trust	28	0.01	
44,302 City Natural Resources	63	0.01	
5,749 City of London Investment Group	13	0.00	
62,393 City of London Investment Trust	232	0.05	
97,561 Dexion Absolute	44	0.01	
21,000 Dexion Equity Alternative	0	0.00	
24,535 Dexion Trading	33	0.01	
5,619 Dunedin Enterprise Investment Trust	24	0.00	
36,288 Dunedin Income Growth Investment Trust	99	0.02	
19,162 Dunedin Smaller Companies Investment Trust	40	0.01	
52,621 Ecofin Water & Power Opportunities	69	0.01	
48,418 Edinburgh Dragon Trust	125	0.02	
45,841 Edinburgh Investment Trust	272	0.05	
12,019 Edinburgh Worldwide Investment Trust	47	0.01	
9,776 Electra Private Equity	229	0.05	
14,371 EP Global Opportunities	32	0.01	
21,354 F&C Capital & Income Investment Trust	56	0.01	
9,560 F&C Global Smaller Companies	80	0.02	
26,956 F&C Private Equity Trust	56	0.01	
4,455 F&C US Smaller Companies	30	0.01	
12,948 Fidelity Asian Values	27	0.01	
156,951 Fidelity China Special Situations	166	0.03	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
Equity investment instruments (continued)			
10,589 Fidelity European Values	161	0.03	
12,903 Fidelity Special Values	115	0.02	
18,655 Finsbury Growth & Income Trust	93	0.02	
139,438 Foreign & Colonial Investment Trust	527	0.11	
65,000 GCP Infrastructure	71	0.01	
31,754 Genesis Emerging Markets	166	0.03	
18,845 Graphite Enterprise Trust	107	0.02	
1,000 Hansa Trust	9	0.00	
19,162 Henderson Diversified Income	17	0.00	
7,185 Henderson European Focus Trust	63	0.01	
4,288 Henderson EuroTrust	33	0.01	
22,794 Henderson Far East Income	73	0.01	
14,784 Henderson Global Trust	55	0.01	
28,474 Henderson High Income Trust	49	0.01	
20,599 Henderson Smaller Companies Investment Trust	106	0.02	
15,416 Henderson Value Trust	39	0.01	
20,371 Herald Investment Trust	141	0.03	
9,684 HG Capital Trust	105	0.02	
273,939 HICL Infrastructure	353	0.07	
64,010 Impax Environmental Markets	94	0.02	
20,096 ING Global Real Estate Income Securities	21	0.00	
182,107 International Public Partnerships	226	0.05	
18,633 INVESCO Asia Trust	30	0.01	
13,876 INVESCO Income Growth Trust	37	0.01	
11,694 INVESCO Perpetual UK Smaller Companies Investment Trust	36	0.01	
206,775 John Laing Infrastructure Fund	235	0.05	
12,893 JPMorgan American Investment Trust	153	0.03	
16,840 JPMorgan Asian Investment Trust	35	0.01	
19,298 JPMorgan Chinese Investment Trust (Bonus issue)	31	0.01	
14,381 JPMorgan Claverhouse Investment Trust	85	0.02	
27,028 JPMorgan Emerging Markets Investment Trust	154	0.03	
30,134 JPMorgan European Investment Trust	66	0.01	
8,320 JPMorgan European Smaller Companies Investment Trust	92	0.02	
84,000 JPMorgan Global Convertibles Income Fund	90	0.02	
57,233 JPMorgan Global Emerging Market	68	0.01	
30,674 JPMorgan Indian Investment Trust	100	0.02	
37,340 JPMorgan Japanese Investment Trust	89	0.02	
7,856 JPMorgan Japanese Smaller Companies Investment Trust	16	0.00	
5,749 JPMorgan Mid Cap Investment Trust	41	0.01	
7,275 JPMorgan Overseas Investment Trust	69	0.01	
1,518 JPMorgan Overseas Investment Trust (Subscription shares)	1	0.00	
13,206 JPMorgan Russian Securities	69	0.01	
4,461 JPMorgan Smaller Companies Investment Trust	34	0.01	
16,917 Jupiter European Opportunities Trust	72	0.01	
4,407 Keystone Investment Trust	73	0.01	
28,440 Law Debenture	150	0.03	
9,558 Lowland Investment	133	0.03	
6,893 Majedie Investments	12	0.00	
7,503 Martin Currie Pacific Trust	22	0.00	
30,524 Martin Currie Portfolio Investment Trust	50	0.01	
24,722 Mercantile Investment Trust	365	0.07	
22,619 Merchants Trust	113	0.02	
19,162 Middlefield Canadian Income Trusts	20	0.00	
62,629 Monks Investment Trust	240	0.05	

M&G Index Tracker Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
Equity investment instruments (continued)			
9,072 Montanaro UK Smaller Companies Investment Trust	44	0.01	
15,376 Murray Income Trust	121	0.02	
29,533 Murray International Trust	308	0.06	
201,081 NB Global Floating Rate Income Fund	212	0.04	
11,497 New India Investment Trust	23	0.00	
8,548 North American Income Trust	73	0.01	
2,919 North Atlantic Smaller Companies Investment Trust	45	0.01	
28,753 Pacific Assets Trust	44	0.01	
10,603 Pacific Horizon Investment Trust	18	0.00	
13,513 Pantheon International Participations	139	0.03	
50,734 Perpetual Income & Growth Investment Trust	183	0.04	
511 Personal Assets Trust	167	0.04	
23,952 Polar Capital Global Healthcare Growth and Income Trust	34	0.01	
32,466 Polar Capital Technology Trust	154	0.03	
34,951 RIT Capital Partners	435	0.09	
33,743 Ruffer Investment Company Red. Pref. shares	73	0.01	
36,469 Schroder Asia Pacific Fund	90	0.02	
18,236 Schroder Income Growth Fund	48	0.01	
19,162 Schroder Japan Growth Fund	24	0.00	
46,527 Schroder Oriental Income Fund	84	0.02	
32,730 Schroder UK Growth Fund	61	0.01	
7,670 Schroder UK Mid & Small Cap Fund	35	0.01	
31,306 Scottish American Investment	81	0.02	
28,095 Scottish Investment Trust	166	0.03	
62,630 Scottish Mortgage Investment Trust	629	0.13	
6,754 Scottish Oriental Small Companies Trust	56	0.01	
20,541 Securities Trust of Scotland	30	0.01	
3,800 Shires Income	9	0.00	
10,964 Standard Life Equity Income Trust	44	0.01	
2,288 Standard Life Equity Income Trust (Subscription shares)	2	0.00	
15,391 Standard Life European Private Equity Trust	31	0.01	
14,371 Standard Life UK Smaller	45	0.01	
14,154 Temple Bar Investment Trust	174	0.03	
80,913 Templeton Emerging Markets Investment Trust	444	0.09	
28,786 The Diverse Income Trust	23	0.00	
13,277 The European Investment Trust	98	0.02	
19,967 Throgmorton Trust	58	0.01	
12,510 TR European Growth Trust	67	0.01	
90,729 TR Property Investment Trust	203	0.04	
45,234 Troy Income & Growth Trust	27	0.01	
53,319 Utilico Emerging Markets	101	0.02	
17,183 Value & Income Trust	46	0.01	
45,051 Witan Investment Trust	294	0.06	
17,102 Witan Pacific Investment Trust	39	0.01	
12,710 Worldwide Healthcare Trust	160	0.03	
Non-equity investment instruments			
55,888 Biffinger Berger Global Infrastructure Fund	63	0.01	
22,355 Biffinger Berger Global Infrastructure (Subscription shares)	0	0.00	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 ^[a] %
Software & computer services			
68,193 Anite	59	0.01	
14,954 AVEVA Group	336	0.07	
24,140 Computacenter	155	0.03	
8,733 Fidessa Group	185	0.04	
239,522 Innovation Group	81	0.02	
151,212 Invensys	758	0.15	
19,097 Kofax	75	0.01	
33,632 Micro Focus International	273	0.05	
53,898 NCC Group	90	0.02	
18,715 Phoenix IT	24	0.00	
284,457 Sage Group	995	0.20	
19,087 SDL	51	0.01	
46,447 Telecity Group	325	0.06	
Technology hardware & equipment			
338,002 ARM Holdings	3,457	0.69	
52,964 BATM Advanced Communications	10	0.00	
38,127 CSR	193	0.04	
54,671 Imagination Technologies Group	133	0.03	
84,419 Laird	220	0.04	
64,003 Pace	203	0.04	
6,198 Sepura	8	0.00	
162,534 Spirent Communications	175	0.04	
24,145 Wolfson Microelectronics	35	0.01	
Unquoted / unlisted			
10,204 Bioscience Investment Trust ^[b]	0	0.00	
12,707 Electric & General Investment Trust ^[c]	0	0.00	
1,278 Goldman Sachs Dynamic Opportunities ^[d]	1	0.00	
13,100 Sfi Litigation Entitlement	0	0.00	
Futures contracts			
43 FTSE 100 December 2013	36	0.01	
'AAA' rated money market funds ^[e]			
1,358,000 Northern Trust Global Fund - Sterling	1,358	0.27	
Portfolio of investments	503,829	100.69	100.74
Net other liabilities	(3,467)	(0.69)	(0.74)
Net assets attributable to shareholders	500,362	100.00	100.00

^[a] The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

^[b] Delisted on 29 April 2005.

^[c] Delisted on 1 November 2011.

^[d] Delisted on 30 January 2013.

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

COUNTERPARTY EXPOSURE

Counterparty	Financial derivative exposure	
	Futures £'000	Total 30.11.13 £'000
Royal Bank of Scotland	36	36
Total	36	36

M&G Index Tracker Fund

PORTFOLIO

PORTFOLIO TRANSACTIONS

for the six months ended 30 November 2013

	£'000
Largest purchases	£'000
Barclays	1,448
Lloyds Banking Group	1,120
Coca-Cola Hellenic	920
Glencore Xstrata	792
DCC	521
HSBC Holdings	417
BP	401
National Grid	388
Royal Dutch Shell 'A'	264
FirstGroup Rights	244
WPP (formerly WPP Group)	207
esure	192
Countrywide	185
Royal Dutch Shell 'B'	181
Partnership Assurance Group	142
Direct Line Insurance Group	142
Crest Nicholson Holdings	140
Thomas Cook Group	126
NB Global Floating Rate Income Fund	106
John Laing Infrastructure Fund	105
Northern Trust Global Fund - Sterling ^[a]	11,357
Other purchases	2,067
Total purchases	21,465
Largest sales	£'000
BP	963
Vodafone Group	628
Royal Dutch Shell 'B'	608
HSBC Holdings	559
British American Tobacco	383
Royal Dutch Shell 'A'	371
National Grid	332
GlaxoSmithKline	295
Diageo	200
Rio Tinto	161
Imperial Tobacco	147
BHP Billiton	116
Dexion Absolute	103
Compass Group	102
Eurasian Natural Resources	100
FirstGroup Rights	98
Barclays	93
AstraZeneca	91
Centrica	86
SSE	72
Northern Trust Global Fund - Sterling ^[a]	10,711
Other sales	2,387
Total sales	18,606

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

INTERIM FINANCIAL STATEMENTS (unaudited)

For the six months ended 30 November 2013.

STATEMENT OF TOTAL RETURN

	2013		2012	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		11,275		43,887
Revenue	8,530		8,246	
Expenses	(1,048)		(952)	
Net revenue before taxation	7,482		7,294	
Taxation	(27)		(41)	
Net revenue after taxation		7,455		7,253
Total return before distributions		18,730		51,140
Finance costs: Distributions		(7,454)		(7,232)
Change in net assets attributable to shareholders from investment activities		11,276		43,908

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	2013		2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		486,534		414,474
Amounts received on issue of shares	9,590		7,365	
Amounts paid on cancellation of shares	(8,954)		(12,834)	
		636		(5,469)
Stamp Duty Reserve Tax		(56)		(57)
Change in net assets attributable to shareholders from investment activities (see above)		11,276		43,908
Retained distributions on Accumulation shares		1,972		1,848
Unclaimed distributions		0		1
Closing net assets attributable to shareholders		500,362		454,705

The opening net assets attributable to shareholders for 2013 differs to the closing position in 2012 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

BALANCE SHEET

	as at 30 November 2013		as at 31 May 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		503,829		490,133
Debtors	2,303		2,674	
Cash and bank balances	195		90	
Total other assets		2,498		2,764
Total assets		506,327		492,897
Liabilities				
Creditors				
Net distributions payable on Income shares	(5,467)		(5,719)	
Other creditors	(498)		(644)	
Total liabilities		(5,965)		(6,363)
Net assets attributable to shareholders		500,362		486,534

M&G Index Tracker Fund

INTERIM FINANCIAL STATEMENTS (unaudited)

NOTE TO THE FINANCIAL STATEMENTS

Accounting policies

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 31 May 2013. They are in accordance with the historical cost convention, as modified by the revaluation of investments, and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

M&G Short Dated Corporate Bond Fund

AUTHORISED CORPORATE DIRECTOR'S REPORT

Investment objective of the M&G Short Dated Corporate Bond Fund

The Fund aims to provide income with stability of capital.

Investment policy of the M&G Short Dated Corporate Bond Fund

The Fund invests mainly in debt instruments (which include, but are not limited to: variable rate securities, fixed interest securities, gilts and corporate debt). The Fund's exposure to debt instruments may be gained through the use of derivatives. In certain market conditions the fund may have a high proportion of its portfolio in liquid assets such as cash and near cash, deposits, warrants and money market instruments. The Fund may also invest in other assets including collective investment schemes, other transferable securities and other derivative instruments.

Investment approach

The M&G Short Dated Corporate Bond Fund invests in a range of typically low-risk debt instruments such as floating rate notes and short-dated corporate bonds. The fund maintains a short duration profile, typically between zero and three years, in order to minimise the effect of yield/interest rate movements on its capital value. Proprietary fundamental credit research is at the heart of the investment process. The fund is managed with the aim of maintaining stability of capital and providing a steady flow of income.

Risk and reward profile*



- The above risk number is based on the rate at which the value of the Fund has moved up and down in the past.
- This risk number is based on historical data and may not be a reliable indicator of the future risk profile of the Fund.
- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

* Please note that this 'Risk and reward profile' section is based on Sterling Class 'A' shares, the nominated share class.

INVESTMENT ACTIVITIES OVER THE REPORT PERIOD

As at 2 December 2013, for the six months ended 30 November 2013

Since material changes were made to the fund's investment approach in late 2012, we have been able to diversify the portfolio's assets to focus on short-dated corporate bonds. These assets are bonds issued by companies and due to be repaid in full in a relatively short time and now represent around 60% of the portfolio. While remaining cautious on the direction of interest rates, we took advantage of the attractive valuations created by a market sell-off in May/June 2013 to modestly increase the portfolio's exposure to credit risk, reflecting a more positive view on the global economy.

To achieve this, we increased the allocation to financials through the purchase of debt issued by a number of high-quality banks such as Credit Suisse, Bank of America and JPMorgan. Looking ahead, whilst keeping the portfolio conservatively managed, we are willing to invest selectively in riskier corporate bond opportunities where we believe we will be well rewarded.

We also increased the fund's exposure to the US high yield corporate bond^[a] market through the use of derivatives^[b] an instrument which allows us to express credit views in a liquid and efficient manner. We remain confident that the US economy is on the road to recovery. Despite the recent headwinds of higher mortgage rates, the country's housing market continues to gather momentum, and with demand currently outpacing supply, we expect a construction boom that will lead to sustainable growth.

Management of the fund changed at the beginning of September. However, the fund's investment objective and philosophy remain unchanged: the fund is designed to provide investors with exposure to investment grade credit as well as a degree of 'protection' against the prospect of rising yields.

Matthew Russell Fund manager

Matthew Russell is an employee of M&G Limited which is an associate of M&G Securities Limited. At the start of the review period Ben Lord was the fund manager.

^[a] High yield corporate bonds are 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 non-repayment, or default, than better quality fixed income securities, known as investment grade, but have the potential for higher rewards.

^[b] Derivatives are 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.

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

M&G Short Dated Corporate Bond Fund

FUND STATISTICS

DISTRIBUTION DATES AND FUND FACTS

Distribution type	xd	payment
Third interim	03.03.14	30.04.14
Final	02.06.14	31.07.14
First interim	01.09.14	31.10.14
Second interim	01.12.14	31.01.15

	Interim distribution		Ongoing Charges Figure ^[b]	
	Inc ^[a]	Acc ^[a]	30.11.13	31.05.13
Sterling	p	p	%	%
Class 'A'	0.0600	n/a	0.66	0.65
Class 'I'	2.5624	n/a	0.57	0.56 ^[c]
Euro	€	€	%	%
Class 'A-H'	1.9540	1.9550	1.08 ^[d]	n/a
Class 'C-H'	3.2700	3.0970	0.58 ^[d]	n/a
Swiss franc	¢	¢	%	%
Class 'A-H'	n/a	1.9390	1.08 ^[d]	n/a
Class 'C-H'	n/a	3.1770	0.58 ^[d]	n/a
US dollar	¢	¢	%	%
Class 'A-H'	n/a	2.0130	1.08 ^[d]	n/a
Class 'C-H'	n/a	3.2640	0.58 ^[d]	n/a

^[a] The date on which the interim distribution will be paid to Income shareholders and credited to Accumulation shareholders.

^[b] The Ongoing Charges Figure is the ratio of the relevant annualised total disclosable costs of each share class from the most recent reporting period to the average net asset value for that share class over the same period.

^[c] The comparative Ongoing Charges Figure shown here is an estimate of the charges, as the share class had not been in existence for a full financial year.

^[d] The Ongoing Charges Figure shown here is an estimate of the charges, as the share class has not been in existence for a full financial year.

Income accrued from interest-bearing securities is distributed on an effective yield basis.

FUND PERFORMANCE

Performance of share classes

	Net asset value per share as at 30.11.13		Net asset value per share as at 31.05.13		Net asset value % change	
	Inc	Acc	Inc	Acc	Inc	Acc
Sterling	p	p	p	p	%	%
Class 'A'	25.19	n/a	25.06	n/a	+0.52	n/a
Class 'I'	1,009.81	n/a	1,004.55	n/a	+0.52	n/a
Euro	€	€	€	€	%	%
Class 'A-H'	10.0216	10.0637	n/a	n/a	n/a	n/a
Class 'C-H'	10.0217	10.0806	n/a	n/a	n/a	n/a
Swiss franc	CHF	CHF	CHF	CHF	%	%
Class 'A-H'	n/a	10.0678	n/a	n/a	n/a	n/a
Class 'C-H'	n/a	10.0847	n/a	n/a	n/a	n/a
US dollar	\$	\$	\$	\$	%	%
Class 'A-H'	n/a	10.0729	n/a	n/a	n/a	n/a
Class 'C-H'	n/a	10.0907	n/a	n/a	n/a	n/a

PERFORMANCE SINCE LAUNCH

	six months 03.06.13 %	one year 03.12.12 %	five years 02.12.08 % p.a. ^[a]	since launch % p.a. ^[a]
Sterling ^[b]				
Class 'A'	+1.2	+2.4	+1.3	+3.5 ^[c]
Class 'I'	+1.5	+2.7	n/a	+0.1 ^[d]
Euro ^[e]				
Class 'A-H'	n/a	n/a	n/a	+1.0 ^[f]
Class 'C-H'	n/a	n/a	n/a	+1.2 ^[f]
Swiss franc ^[e]				
Class 'A-H'	n/a	n/a	n/a	+1.1 ^[f]
Class 'C-H'	n/a	n/a	n/a	+1.3 ^[f]
US dollar ^[e]				
Class 'A-H'	n/a	n/a	n/a	+1.1 ^[f]
Class 'C-H'	n/a	n/a	n/a	+1.3 ^[f]

^[a] Shows the compound rate of return, per annum, over the period.

^[b] Bid to bid with net income reinvested.

^[c] 29 January 1993, the end of the initial offer period of the predecessor unit trust.

^[d] 9 November 2012, the launch date of the share class.

^[e] Bid to bid with gross income reinvested.

^[f] 26 July 2013, the launch date of the share class. Not annualised.

SINGLE YEAR PERFORMANCE (5 YEARS ENDING NOVEMBER)

From	30.11.12	30.11.11	30.11.10	30.11.09	28.11.08
To	29.11.13	30.11.12	30.11.11	30.11.10	30.11.09
	%	%	%	%	%
Sterling					
Class 'A'	+2.6	+3.2	+0.1	+1.8	+2.9

Source: Morningstar, Inc., bid to bid with net income reinvested.

M&G Short Dated Corporate Bond Fund

FUND STATISTICS

PRICES

	Calendar year	Income shares		Accumulation shares	
		Highest	Lowest	Highest	Lowest
Sterling (net)		p	p	p	p
Class 'A'	2008 ^[a]	25.42	23.17	n/a	n/a
	2009	24.49	22.22	n/a	n/a
	2010 ^[b]	24.74	24.27	n/a	n/a
	2011	24.75	24.28	n/a	n/a
	2012	24.99	24.38	n/a	n/a
	2013 ^[c]	25.34	24.83	n/a	n/a
Class 'I'	2012 ^[d]	1,000.71	996.91	n/a	n/a
	2013 ^[c]	1,016.16	995.34	n/a	n/a
Euro (gross)		€	€	€	€
Class 'A-H'	2013 ^[c] ^[e]	10.0798	9.9315	10.1046	9.9507
Class 'C-H'	2013 ^[c] ^[e]	10.0919	9.9328	10.1209	9.9536
Swiss franc (gross)		CHF	CHF	CHF	CHF
Class 'A-H'	2013 ^[c] ^[e]	n/a	n/a	10.1091	9.9559
Class 'C-H'	2013 ^[c] ^[e]	n/a	n/a	10.1266	9.9590
US dollar (gross)		\$	\$	\$	\$
Class 'A-H'	2013 ^[c] ^[e]	n/a	n/a	10.1136	9.9524
Class 'C-H'	2013 ^[c] ^[e]	n/a	n/a	10.1320	9.9558

^[a] On 1 September 2008, the fund's objective was changed.

^[b] The Prudential Cash Haven Trust merged into the M&G Short Dated Corporate Bond Fund (formerly known as the M&G High Interest Fund) immediately after 29 January 2010.

^[c] To 2 December 2013.

^[d] From 9 November 2012 (the launch date of the share class).

^[e] From 26 July 2013 (the launch date of the share class).

Past performance is no indication of current or future performance and the performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.

The price of shares and the income from them may go down as well as up, and you may get back less than you invested.

INCOME

	Calendar year	Interest income per share			Reinvested
		Interims	Distributed Final	Interim	
Sterling (net)		p	p	p	p
Class 'A'	2009	0.5144	0.1172	0.0756	0.7072
	2010	0.0980	0.0420	0.0420	0.1820
	2011	0.0960	0.0640	0.0620	0.2220
	2012	0.1160	0.0680	0.0520	0.2360
	2013	0.1068	0.0536	0.0664	0.2268
	2014 ^[a]	0.0600	-	-	0.0600
Class 'I'	2013	2.9712	2.2372	2.7728	7.9812
	2014 ^[a]	2.5624	-	-	2.5624
Euro (gross)		€	€	€	€
Class 'A-H'	2013 ^[a]	n/a	n/a	2.1649	2.1649
	2014 ^[a]	1.9540	-	-	1.9540
Class 'C-H'	2013 ^[a]	n/a	n/a	2.6661	2.6661
	2014 ^[a]	3.2700	-	-	3.2700
Swiss franc (gross)		€	€	€	€
Class 'A-H'	2013 ^[a]	n/a	n/a	n/a	4.1199
Class 'C-H'	2013 ^[a]	n/a	n/a	n/a	5.8079
US dollar (gross)		€	€	€	€
Class 'A-H'	2013 ^[a]	n/a	n/a	n/a	4.2142
Class 'C-H'	2013 ^[a]	n/a	n/a	n/a	5.9675

^[a] Up to interim: ex-distribution date 2 December 2013; payment date 31 January 2014.

NET ASSETS

	Period ended	Value per share		Number of shares	
		Inc	Acc	Inc	Acc
Sterling		p	p		
Class 'A'	May 2011	24.62	n/a	1,050,577,623	n/a
	May 2012	24.46	n/a	1,326,520,623	n/a
	May 2013	25.06	n/a	1,451,594,623	n/a
	Nov 2013	25.19	n/a	1,329,556,623	n/a
Class 'I'	May 2013	1,004.55	n/a	1,017,200	n/a
	Nov 2013	1,009.81	n/a	5,768,100	n/a
Euro		€	€		
Class 'A-H'	Nov 2013	10.0216	10.0637	1,000	1,000
Class 'C-H'	Nov 2013	10.0217	10.0806	1,000	1,000
Swiss franc		CHF	CHF		
Class 'A-H'	Nov 2013	n/a	10.0678	n/a	1,000
Class 'C-H'	Nov 2013	n/a	10.0847	n/a	1,000
US dollar		\$	\$		
Class 'A-H'	Nov 2013	n/a	10.0729	n/a	1,000
Class 'C-H'	Nov 2013	n/a	10.0907	n/a	1,000

Total net asset value of sub-fund

Period ended	£	€ ^[a]
May 2011	258,691,000	296,377,000
May 2012	324,429,000	405,536,000
May 2013	373,934,000	437,828,000
Nov 2013	393,173,000	472,007,000

^[a] Based on the midday exchange rate on the last business day of each accounting period.

M&G Short Dated Corporate Bond Fund

PORTFOLIO

PORTFOLIO STATEMENT

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
'AAA' credit rated bonds			
		24.20	28.06
£318,663 Alba 1.7425% 2049	318	0.08	
£677,077 Alba FRN 2037	619	0.16	
£2,637,788 Alba FRN 2042	2,396	0.61	
£2,915,150 Broadgate Financing FRN 2032	2,771	0.70	
€3,664,000 Citadel FRN 2042	3,083	0.78	
€4,250,000 Germany (Federal Republic of) 1.5% IL 2016	4,297	1.09	
€10,000,000 Germany (Federal Republic of) 3.5% 2016	8,918	2.27	
£2,241,000 Lanark Master Issuer FRN 2054	2,316	0.59	
\$1,353,219 Paragon Mortgages No.14 FRN 2039	736	0.19	
£2,423,000 Paragon Mortgages No.8 FRN 2041	2,426	0.62	
£1,841,573 Residential Mortgage Securities FRN 2041	1,917	0.49	
£2,992,000 Rochester Financing No.1 FRN 2046	2,992	0.76	
€4,500,000 Storm FRN 2050	3,750	0.95	
£1,687,403 Tenterden Funding FRN 2044	1,708	0.44	
£16,715,000 Treasury 2.5% IL 2016	56,892	14.47	
'AA' credit rated bonds			
		4.73	3.67
€4,000,000 CaixaBank 3.375% 2014	3,376	0.86	
\$2,000,000 CNOOC Finance 1.125% 2016	1,218	0.31	
€1,234,000 Fastnet Securities FRN 2053	1,029	0.26	
\$7,000,000 General Electric Capital FRN 2016	4,303	1.09	
\$5,000,000 MetLife Global Funding 0% 2016	3,078	0.78	
£1,219,823 Paragon Mortgages No.8 FRN 2035	1,126	0.29	
\$4,192,479 Paragon Mortgages No.13 FRN 2041	2,289	0.58	
€2,482,826 Sunrise SRL FRN 2031	2,029	0.52	
£149,470 Trafford Centre Finance FRN 2015	148	0.04	
'A' credit rated bonds			
		21.81	29.68
\$3,000,000 ABN AMRO Bank FRN 2016	1,838	0.47	
£1,931,280 Alba FRN 2038	1,740	0.44	
€4,000,000 Allianz Var. Rate Perp. (5.5%)	3,348	0.85	
\$6,176,000 America Movil 0% 2016	3,806	0.97	
£1,250,000 American International Group 6.765% 2017	1,459	0.37	
£4,890,000 Anglian Water Services Financing 5.25% 2015	5,254	1.34	
£2,500,000 Anglian Water Services Financing Var. Rate 2014	2,523	0.64	
€1,600,000 Bankinter 2.75% 2016	1,377	0.35	
\$2,000,000 BAT International Finance 1.125% 2016	1,230	0.31	
£3,000,000 BMW 1.75% 2017	2,996	0.76	
€156,000 Credit Suisse FRN 2014	129	0.03	
£1,800,000 Daimler 1.75% 2017	1,798	0.46	
£3,100,000 DnB NOR Bank Var. Rate 2020 (7.25%)	3,332	0.85	
£1,000,000 Eddystone Finance FRN 2021	954	0.24	
£3,000,000 Export Import Bank of Korea FRN 2016	2,948	0.75	
\$1,840,000 Goldman Sachs Group FRN 2018	1,133	0.29	
£1,587,442 Granite Master Issuer FRN 2054 05-2 'A7'	1,575	0.40	
£200,000 Granite Master Issuer FRN 2054 06-2M4	187	0.05	
\$1,129,998 Granite Master Issuer FRN 2054 06-A5	683	0.17	
£1,322,868 Granite Master Issuer FRN 2054 06-A6	1,310	0.33	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
'A' credit rated bonds (continued)			
\$1,322,868 Granite Master Issuer FRN 2054 07-12A1	797	0.20	
£500,000 Granite Master Issuer FRN 2054 07-23M3	470	0.12	
£2,143,046 Granite Master Issuer FRN 2054 '6A1'	2,120	0.54	
£399,510 Granite Mortgages FRN 2044 04-13A	396	0.10	
£2,956,046 Great Hall Mortgages FRN 2038	2,782	0.71	
\$3,531,644 Great Hall Mortgages FRN 2039	2,015	0.51	
\$300,000 HSBC Bank FRN Perp. (0.625%)	113	0.03	
\$4,600,000 HSBC Bank FRN Perp. (0.75%)	1,719	0.44	
£3,500,000 JPMorgan Chase 5.375% 2016	3,834	0.98	
\$4,167,000 JPMorgan Chase FRN 2018	2,558	0.65	
£31,764 Lambda Finance FRN 2031	32	0.01	
£1,782,860 Mitchells & Butlers Finance FRN 2030	1,958	0.50	
\$2,139,432 Mitchells & Butlers Finance FRN 2030	972	0.25	
£1,350,000 Mitchells & Butlers Finance FRN 2033	1,077	0.27	
\$7,500,000 Morgan Stanley FRN 2015	4,550	1.16	
£1,600,969 Newgate Funding FRN 2050	1,565	0.40	
£1,407,301 Newgate Funding FRN 2050 A2	1,381	0.35	
\$7,500,000 Oracle Corporation FRN 2019	4,567	1.16	
€2,200,000 Pacific Life FRN 2021	1,622	0.41	
\$1,407,761 RMAC 2005-Nsp2 FRN 2037	803	0.20	
£88,228 Sandwell Commercial Finance No.1 FRN 2039	86	0.02	
\$2,470,000 Sumitomo Mitsui Banking 0% 2016	1,519	0.39	
£2,500,000 Sumitomo Mitsui Banking FRN 2016	2,496	0.63	
\$5,000,000 Volkswagen International Finance 1.125% 2016	3,061	0.78	
\$6,000,000 Wells Fargo FRN 2016	3,645	0.93	
		29.21	26.06
'BBB' credit rated bonds			
€3,000,000 Achmea (formerly Eureko) Var. Rate Perp. (5.125%)	2,536	0.65	
£3,500,000 American International Group Var. Rate 2068 (8.625%)	4,085	1.04	
€5,000,000 Atlantia 5.625% 2016	4,588	1.17	
\$8,000,000 Bank of America FRN 2016	4,779	1.22	
£3,245,000 Barclays SLCSM Var. Rate Perp. (6.14%)	3,261	0.83	
€2,000,000 Bayer Var. Rate 2105 (5%)	1,736	0.44	
£3,000,000 British Telecommunications Var. Rate 2016 (8.5%)	3,570	0.91	
\$3,000,000 Capital One 1.15% 2016	1,840	0.47	
€5,000,000 Channel Link Enterprises Finance FRN 2050	3,946	1.00	
€1,500,000 DONG Energy Var. Rate Perp. (5.5%)	1,311	0.33	
£4,000,000 FCE Bank 5.125% 2015	4,267	1.09	
\$2,000,000 Ford Motor Credit FRN 2016	1,243	0.32	
£2,000,000 GDF Suez Var. Rate Perp. (4.625%)	2,055	0.52	
\$1,000,000 Granite Master Issuer FRN 2054 07-12C1	529	0.13	
\$1,000,000 Granite Master Issuer FRN 2054 07-22C1	530	0.14	
€3,000,000 Henkel Var. Rate 2104 (5.375%)	2,661	0.68	
\$6,415,000 Hewlett Packard FRN 2014	3,959	1.01	
€1,500,000 HSBC Capital Funding Var. Rate Perp. (5.3687%)	1,257	0.32	
£5,533,000 HSBC Capital Funding Var. Rate Perp. (8.208%)	6,001	1.53	
£4,450,000 Imperial Tobacco Finance 5.5% 2016	4,919	1.25	
\$2,000,000 JPMorgan Chase Var. Rate Perp. (7.9%)	1,353	0.34	
£4,950,000 Kingfisher 5.625% 2014	5,124	1.30	
£3,000,000 KPN 5.75% 2016	3,263	0.83	
£1,014,000 Linde Finance Var. Rate 2066 (8.125%)	1,151	0.29	
\$3,930,000 Lloyds Bank (formerly Lloyds TSB Bank) FRN Perp.	1,398	0.36	

M&G Short Dated Corporate Bond Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
'BBB' credit rated bonds (continued)			
\$1,000,000 Lloyds Bank (formerly Lloyds TSB Bank) Var. Rate Perp. (0.598%)	361	0.09	
£3,882,000 Mondelez International 5.375% 2014	4,033	1.03	
£1,029,000 Nationwide Building Society 7.971% Perp.	1,070	0.27	
£1,469,000 Pearson 7% 2014	1,543	0.39	
\$12,250,000 Petroleos Mexicanos 2.2862% 2018	7,721	1.96	
\$5,000,000 Royal Bank of Scotland Var. Rate 2022 (9.5%)	3,567	0.91	
£200,000 Santander International 3.16% 2015	203	0.05	
£4,900,000 Southern Gas Network FRN 2015	4,866	1.24	
\$4,000,000 SSE Var. Rate Perp. (5.625%)	2,567	0.65	
€4,000,000 Telefónica Emisiones FRN 2015	3,378	0.86	
£4,600,000 Tesco 4% IL 2016	7,665	1.95	
£20,000 Tesco 5% 2014	20	0.01	
£3,000,000 United Utilities Water 6.125% 2015	3,287	0.84	
\$5,000,000 Verizon Communications FRN 2016	3,109	0.79	
		6.05	3.48
'BB' credit rated bonds			
\$2,325,000 Bank of America Var. Rate Perp. (8%)	1,571	0.40	
€3,000,000 Finmeccanica 8.125% 2013	2,499	0.64	
\$4,000,000 HBOS Capital Funding Var. Rate Perp. (6.071%)	2,442	0.62	
£1,710,000 LBG Capital No.2 15% 2019	2,447	0.62	
\$3,000,000 National Westminster Bank FRN Perp.	1,037	0.26	
£1,600,000 Santander Finance Var. Rate Perp. (11.3%)	1,666	0.42	
£5,000,000 Veolia Environnement Var. Rate Perp. (4.45%)	4,875	1.24	
£7,000,000 Virgin Media Secured Finance 7% 2018	7,269	1.85	
		0.27	0.00
'B' credit rated bonds			
\$1,739,000 Cemex FRN 2018	1,071	0.27	
		8.69	5.80
Bonds with no credit rating			
£965,531 Alba FRN 2042	988	0.25	
£2,820,000 Arran Residential Mtg Fund 1 FRN 2047	2,871	0.73	
€2,000,000 Bank of Ireland 1.875% 2017	1,673	0.43	
€2,000,000 Bank of Ireland Mortgage Bank 3.125% 2015	1,726	0.44	
€1,000,000 Bavarian Sky FRN 2020	834	0.21	
\$3,000,000 Credit Suisse Guernsey Var. Rate 2041 (7.875%)	1,983	0.50	
£1,751,228 Darrowby No.1 FRN 2043	1,775	0.45	
£1,154,856 Darrowby No.1 FRN 2044	1,177	0.30	
£2,200,000 GE Capital UK Funding FRN 2017	2,149	0.55	
£5,119,913 Gosforth Funding FRN 2047	5,186	1.32	
£1,498,000 Gosforth Funding FRN 2049	1,500	0.38	
£4,020,000 John Lewis 10.5% 2014	4,068	1.03	
£590,000 Places for People 5% 2016	623	0.16	
£1,379,000 Segro 5.25% 2015	1,465	0.37	
€2,984,814 Taurus 2013 FRN 2024	2,495	0.63	
£3,684,041 Thrones 2013-1 FRN 2044	3,705	0.94	
		0.30	0.04
Credit default swaps [a]			
\$(5,000,000) America Movil Dec 2018	(16)	0.00	
€(4,000,000) BNP Paribas Sep 2018	281	0.07	
€(5,000,000) Deutsche Telekom Sep 2018	78	0.02	
€(7,500,000) Électricité de France Jun 2023	9	0.00	
€(4,000,000) Heathrow Funding Jun 2018	46	0.01	
\$(10,000,000) Markit CDX North American High Yield Series 21 5 Year Dec 2018	435	0.11	

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
Credit default swaps [a] (continued)			
\$(12,500,000) Markit CDX North American Investment Grade Series 20 5 Year Jun 2018	131	0.03	
€(16,000,000) Markit CDX iTraxx Europe Series 19 5 Year Jun 2018	175	0.04	
\$(5,000,000) MetLife Jun 2018	32	0.01	
€(5,000,000) Solvay Sep 2018	60	0.02	
€(5,000,000) Telefonaktiebolaget Sep 2018	56	0.01	
€(5,000,000) Telefónica Sep 2018	(74)	(0.02)	
		0.23	0.01
Forward currency contracts			
€483 Bought for £405 (expires 24.12.13)	0	0.00	
€(40,412) Sold for £33,902 (expires 24.12.13)	0	0.00	
€78,970,960 Bought for £65,935,618 (expires 08.01.14)	138	0.04	
CHF265 Bought for £180 (expires 24.12.13)	0	0.00	
CHF(20,237) Sold for £13,767 (expires 24.12.13)	0	0.00	
\$(19,976) Sold for £12,474 (expires 24.12.13)	0	0.00	
\$143,861,433 Bought for £88,830,770 (expires 08.01.14)	763	0.19	
		3.40	2.31
'AAA' rated money market funds [b]			
13,371,000 Northern Trust Global Fund - Sterling	13,371	3.40	
Portfolio of investments	388,825	98.89	99.11
Net other assets	4,348	1.11	0.89
Net assets attributable to shareholders	393,173	100.00	100.00

[a] Unquoted / unlisted.

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

COUNTERPARTY EXPOSURE

Counterparty	Financial derivative exposure		
	Credit default swaps £'000	Forward currency contracts £'000	Total as at 30.11.13 £'000
Barclays	62	0	62
BNP Paribas	60	0	60
Credit Suisse	260	0	260
Deutsche Bank	55	0	55
Goldman Sachs	776	0	776
State Street Bank	0	901	901
Total	1,213	901	2,114

M&G Short Dated Corporate Bond Fund

PORTFOLIO

PORTFOLIO TRANSACTIONS

for the six months ended 30 November 2013

	£'000
Largest purchases	£'000
Germany (Federal Republic of) 1.5% IL 2016 (€)	13,762
Germany (Federal Republic of) 3.5% 2016 (€)	9,317
Treasury 2.5% IL 2016 (£)	9,020
Petroleos Mexicanos 2.2862% 2018 (\$)	7,985
Virgin Media Secured Finance 7% 2018 (£)	7,436
HSBC Capital Funding Var. Rate Perp. (8.208%) (£)	6,028
Oracle Corporation FRN 2019 (\$)	5,049
Veolia Environnement Var. Rate Perp. (4.45%) (£)	4,813
Atlantia 5.625% 2016 (€)	4,789
General Electric Capital FRN 2016 (\$)	4,712
American International Group Var. Rate 2068 (8.625%) (£)	4,108
America Movil 0% 2016 (\$)	3,951
Thrones 2013-1 FRN 2044 (£)	3,740
Royal Bank of Scotland Var. Rate 2022 (9.5%) (\$)	3,667
British Telecommunications Var. Rate 2016 (8.5%) (£)	3,629
DnB NOR Bank Var. Rate 2020 (7.25%) (£)	3,408
Allianz Var. Rate. Perp (5.5%) (€)	3,383
Bank of Scotland 1.835% IL 2016 (£)	3,354
Barclays SLSCM Var.Rate Perp. (6.14%) (£)	3,311
MetLife Global Funding 0% 2016 (\$)	3,309
Northern Trust Global Fund - Sterling ^[a]	128,804
Other purchases	91,828
Total purchases	329,403
Largest sales	£'000
RWE Finance 6.375% 2013 (£)	9,213
Experian Finance 5.625% 2013 (£)	9,158
Germany (Federal Republic of) 1.5% IL 2016 (€)	8,992
National Grid 6.125% 2014 (£)	8,915
Virgin Media Secured Finance 7% 2018 (£)	7,462
Heathrow Funding (formerly BAA Funding) Var. Rate 2015 (£)	7,000
Treasury 2.5% IL 2016 (£)	6,893
Wells Fargo FRN 2016 (\$)	6,768
Compass Group 7% 2014 (£)	6,602
Pemex Project Funding 7.5% 2013 (£)	5,893
Severn River Crossing 6.125% IL 2013 (£)	4,471
SSE 5.75% 2014 (£)	4,445
Linde Finance Var. Rate Perp. (€)	4,280
Bank of Ireland Mortgage Bank 3.25% 2016 (€)	3,450
ArcelorMittal 8.25% 2013 (€)	3,421
General Electric Capital Var. Rate 2015 (\$)	3,404
Bank of Scotland 1.835% IL 2016 (£)	3,388
Daimler International Finance 2.125% 2013 (£)	3,315
Total Capital Canada FRN 2016 (\$)	3,187
Brass No. 1 FRN 2048 (£)	3,144
Northern Trust Global Fund - Sterling ^[a]	124,078
Other sales	65,941
Total sales	303,420

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

INTERIM FINANCIAL STATEMENTS (unaudited)

For the six months ended 30 November 2013.

STATEMENT OF TOTAL RETURN

	2013		2012	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		1,906		5,413
Revenue	3,669		2,785	
Expenses	(1,240)		(1,077)	
Finance costs: Interest	(2)		0	
Net revenue before taxation	2,427		1,708	
Taxation	(26)		6	
Net revenue after taxation		2,401		1,714
Total return before distributions		4,307		7,127
Finance costs: Distributions		(2,399)		(1,729)
Change in net assets attributable to shareholders from investment activities		1,908		5,398

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	2013		2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		373,934		324,442
Amounts received on issue of shares	78,126		24,043	
Amounts paid on cancellation of shares	(60,815)		(31,864)	
Stamp Duty Reserve Tax		17,311		(7,821)
Change in net assets attributable to shareholders from investment activities (see above)		1,908		5,398
Unclaimed distributions		2		1
Closing net assets attributable to shareholders		393,173		322,020

The opening net assets attributable to shareholders for 2013 differs to the closing position in 2012 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

M&G Short Dated Corporate Bond Fund

INTERIM FINANCIAL STATEMENTS (unaudited)

BALANCE SHEET

	as at 30 November 2013		as at 31 May 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		388,915		370,910
Debtors	5,647		7,973	
Cash and bank balances	505		172	
Total other assets		6,152		8,145
Total assets		395,067		379,055
Liabilities				
Investment liabilities		(90)		(315)
Creditors				
Net distributions payable on Income shares	(946)		(801)	
Other creditors	(858)		(4,005)	
Total other liabilities		(1,804)		(4,806)
Total liabilities		(1,894)		(5,121)
Net assets attributable to shareholders		393,173		373,934

NOTE TO THE FINANCIAL STATEMENTS

Accounting policies

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 31 May 2013. They are in accordance with the historical cost convention, as modified by the revaluation of investments, and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

M&G Short Dated Corporate Bond Fund

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M&G UK Growth Fund

AUTHORISED CORPORATE DIRECTOR'S REPORT

Investment objective and policy of the M&G UK Growth Fund

The Fund invests principally in the equities of UK companies with high growth potential with the sole objective of capital growth. Income considerations are ignored.

Investment approach

The M&G UK Growth Fund seeks capital growth through investment primarily in a portfolio of shares in UK listed companies. A long-term view is taken, with the emphasis on finding undervalued companies with attractive growth prospects.

The fund is a stockpicking fund, driven always by valuation. While the fund manager is responsible for every investment decision taken, the research undertaken by M&G's team of equity analysts often informs his stock selection.

The portfolio targets a total number of stock holdings of around 50. The relatively concentrated nature of the fund requires the manager to have strong conviction in each and every holding.

A team of risk specialists monitors the fund and ensures that the manager is aware of all intended and unintended biases.

Risk and reward profile*



- The above risk number is based on the rate at which the value of the Fund has moved up and down in the past.
- This risk number is based on historical data and may not be a reliable indicator of the future risk profile of the Fund.
- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

* Please note that this 'Risk and reward profile' section is based on Sterling Class 'A' shares, the nominated share class.

INVESTMENT ACTIVITIES OVER THE REPORT PERIOD

As at 2 December 2013, for the six months ended 30 November 2013

Our approach centres on finding out-of-favour companies that can exceed the market's expectations. We are optimistic that the UK economy is on the road to recovery and identified International Consolidated Airlines Group (IAG), the owner of British Airways and Iberia, as an opportunity that could benefit from this development. In our view, investors are underestimating the boost IAG should receive from higher consumer and business spending as well as its restructuring of Iberia.

In contrast, we disposed of our holding in Kingfisher, a home improvements retailer, on the grounds that its share price more than fully reflected any recovery in the UK housing market. We also sold TalkTalk Telecom, a telecommunications firm, after a period of impressive share price performance. The provider of broadband internet and television services is now facing significantly more competition from the likes of BT and Sky.

The basic materials sector has been out of favour for some time but we believe it currently offers value. Mining giant Anglo American joined the portfolio as we were attracted by the firm's low valuation and the new chief executive's plan to improve efficiency and productivity. This purchase was funded by disposing of the stake in commodities trader Glencore (renamed Glencore Xstrata following its merger with the mining group). We also added to our holding in iron ore miner Rio Tinto, which is cutting costs and focusing on shareholder returns.

Another newcomer was Signet Jewelers, which operates a market-leading jewellery chain in the US. We believe Signet's US business has attractive growth potential: it is developing a new format for the fast-growing outlet mall market. Technology firm CSR, one of the top players in Bluetooth wireless technology, also entered the portfolio as we considered its prospects to be undervalued. On the other hand, we closed our position in Imperial Tobacco, on the grounds that the tobacco industry faces increased regulatory pressure, changing consumer attitudes and the growing threat from electronic cigarettes.

Mike Felton Fund manager

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

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

M&G UK Growth Fund

FUND STATISTICS

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

DISTRIBUTION DATES AND FUND FACTS

Distribution type	xd	payment
Final	02.06.14	31.07.14
Interim	01.12.14	31.01.15

	Interim distribution		Ongoing Charges Figure ^[b]	
	31.01.14 ^[a]	02.12.13 ^[a]	30.11.13	31.05.13
Sterling	p	p	%	%
Class 'A'	16.6768	23.9176	1.66	1.67
Class 'C'	35.4066	n/a	0.16	0.17 ^[c]
Class 'I'	12.6749	12.9702	0.91	0.92 ^[c]
Class 'R'	1.1152	1.1381	1.16	1.17 ^[c]
Class 'X'	16.7988	23.6637	1.66	1.67
Euro	¢	¢	%	%
Class 'A'	n/a	7.6049	1.66	1.66
Class 'C'	n/a	12.2365	0.94	0.92

^[a] The date on which the interim distribution will be paid to Income shareholders and credited to Accumulation shareholders.

^[b] The Ongoing Charges Figure is the ratio of the relevant annualised total disclosable costs of each share class from the most recent reporting period to the average net asset value for that share class over the same period.

^[c] The comparative Ongoing Charges Figure shown here is an estimate of the charges, as the share class had not been in existence for a full financial year.

FUND PERFORMANCE

Performance of share classes

	Net asset value per share as at 30.11.13		Net asset value per share as at 31.05.13		Net asset value % change	
	Inc	Acc	Inc	Acc	Inc	Acc
Sterling	p	p	p	p	%	%
Class 'A'	2,557.84	3,691.23	2,421.55	3,472.16	+5.63	+6.31
Class 'C'	2,558.90	n/a	2,421.75	n/a	+5.66	n/a
Class 'I'	1,247.02	1,289.01	1,179.47	1,205.31	+5.73	+6.94
Class 'R'	124.59	128.19	117.92	120.25	+5.66	+6.60
Class 'X'	2,575.56	3,651.72	2,438.12	3,434.92	+5.64	+6.31
Euro	€	€	€	€	%	%
Class 'A'	n/a	11.7541	n/a	10.7536	n/a	+9.30
Class 'C'	n/a	12.2713	n/a	11.2158	n/a	+9.41

PERFORMANCE SINCE LAUNCH

	six months 03.06.13 %	one year 03.12.12 %	five years 02.12.08 % p.a. ^[a]	since launch % p.a. ^[a]
Sterling ^[b]				
Class 'A'	+5.0	+20.3	+12.3	+8.0 ^[c]
Class 'C'	+5.1	n/a	n/a	+8.9 ^[d]
Class 'I'	+5.1	+20.2	n/a	+18.0 ^[e]
Class 'R'	+5.1	+20.1	n/a	+17.9 ^[e]
Class 'X'	+5.0	+20.3	+12.3	+8.9 ^[f]
Euro ^[g]				
Class 'A'	+9.1	+19.9	+15.1	+2.7 ^[h]
Class 'C'	+9.6	+20.8	+15.9	+3.5 ^[h]

^[a] Shows the compound rate of return, per annum, over the period.

^[b] Bid to bid excluding reinvested income.

^[c] 17 December 1968, the end of the initial offer period of the predecessor unit trust.

^[d] 13 March 2013, the launch date of the share class. Not annualised.

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

^[f] 1 October 2002, the launch date of the share class.

^[g] Bid to bid with net income reinvested.

^[h] 31 August 2007, the launch date of the share class.

SINGLE YEAR PERFORMANCE (5 YEARS ENDING NOVEMBER)

From	30.11.12	30.11.11	30.11.10	30.11.09	28.11.08
To	29.11.13	30.11.12	30.11.11	30.11.10	30.11.09
	%	%	%	%	%
Sterling					
Class 'A'	+23.3	+14.2	+0.5	+11.0	+22.9

Source: Morningstar, Inc., bid to bid with net income reinvested.

M&G UK Growth Fund

FUND STATISTICS

PRICES

	Calendar year	Income shares		Accumulation shares	
		Highest	Lowest	Highest	Lowest
Sterling (net)		p	p	p	p
Class 'A'	2008	2,092.83	1,299.41	2,694.88	1,690.41
	2009	1,861.36	1,309.54	2,508.64	1,729.77
	2010	2,108.87	1,672.10	2,882.01	2,274.33
	2011 ^[a]	2,160.88	1,727.48	2,983.50	2,385.12
	2012	2,187.72	1,895.76	3,108.07	2,677.65
	2013 ^[b] ^[c]	2,600.99	2,194.86	3,729.50	3,118.22
Class 'C'	2013 ^[b] ^[c] ^[d]	2,617.53	2,238.23	n/a	n/a
Class 'I'	2012 ^[e]	1,066.09	997.51	1,075.51	997.57
	2013 ^[b] ^[c]	1,270.84	1,069.72	1,298.71	1,079.17
Class 'R'	2012 ^[e]	106.59	99.73	107.40	99.73
	2013 ^[b] ^[c]	126.92	106.95	129.43	107.76
Class 'X'	2008	2,108.17	1,308.67	2,665.82	1,672.22
	2009	1,874.39	1,318.83	2,481.75	1,711.22
	2010	2,123.48	1,683.73	2,851.10	2,249.94
	2011 ^[a]	2,175.84	1,739.44	2,951.50	2,359.53
	2012	2,202.78	1,908.91	3,074.74	2,648.94
	2013 ^[b] ^[c]	2,618.79	2,209.97	3,689.50	3,084.78
Euro (net)		€	€	€	€
Class 'A'	2008	n/a	n/a	9.5955	5.4266
	2009	n/a	n/a	7.4299	5.0414
	2010	n/a	n/a	8.9435	7.0499
	2011 ^[a]	n/a	n/a	9.2540	7.2707
	2012	n/a	n/a	10.0661	8.6786
	2013 ^[b] ^[c]	n/a	n/a	11.8165	9.9133
Class 'C'	2008	n/a	n/a	9.6154	5.4751
	2009	n/a	n/a	7.5532	5.0938
	2010	n/a	n/a	9.1602	7.1726
	2011 ^[a]	n/a	n/a	9.4881	7.4882
	2012	n/a	n/a	10.4645	8.9570
	2013 ^[b] ^[c]	n/a	n/a	12.3716	10.3158

^[a] The Prudential UK Growth Trust merged into the M&G UK Growth Fund immediately after 14 October 2011.

^[b] The M&G UK Select Fund (a sub-fund of M&G Investment Funds (3)) merged into the M&G UK Growth Fund immediately after 15 March 2013.

^[c] To 2 December 2013.

^[d] From 13 March 2013 (the launch date of the share class).

^[e] From 3 August 2012 (the launch date of the share class).

Past performance is no indication of current or future performance and the performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.

The price of shares and the income from them may go down as well as up, and you may get back less than you invested.

INCOME

Dividend income per share

	Calendar year	Interim	Distributed	Total	Reinvested
			Final		
Sterling (net)		p	p	p	p
Class 'A'	2009	22.2650	18.8960	41.1610	44.0499
	2010	14.2780	16.0820	30.3600	34.2682
	2011	9.2590	21.7380	30.9970	55.9792
	2012	19.0700	21.7470	40.8170	52.4264
	2013 ^[a]	15.6410	22.4512	38.0922	55.8749
	2014 ^[a]	16.6768	-	16.6768	-
Class 'C'	2013	n/a	30.1954	30.1954	n/a
	2014 ^[a]	35.4066	-	35.4066	n/a
Class 'I'	2012	n/a	n/a	n/a	9.1150
	2013 ^[a]	8.7070	15.2926	23.9996	28.3694
	2014 ^[a]	12.6749	-	12.6749	-
Class 'R'	2012	n/a	n/a	n/a	0.7870
	2013 ^[a]	0.7870	1.4221	2.2091	2.5630
	2014 ^[a]	1.1152	-	1.1152	-
Class 'X'	2009	22.5200	19.1800	41.7000	43.7711
	2010	14.3770	16.2570	30.6340	34.0617
	2011	9.3820	21.8920	31.2740	55.3689
	2012	19.1480	21.8630	41.0110	51.8383
	2013 ^[a]	15.7450	22.7122	38.4572	55.2650
	2014 ^[a]	16.7988	-	16.7988	-
Euro (net)		¢	¢	¢	¢
Class 'A'	2009	n/a	n/a	nil	13.2850
	2010	n/a	n/a	nil	10.2300
	2011	n/a	n/a	nil	16.0993
	2012	n/a	n/a	nil	17.2503
	2013 ^[a]	n/a	n/a	nil	17.4790
Class 'C'	2009	n/a	n/a	nil	18.0670
	2010	n/a	n/a	nil	16.9890
	2011	n/a	n/a	nil	24.1730
	2012	n/a	n/a	nil	25.2402
	2013 ^[a]	n/a	n/a	nil	26.4577

^[a] Up to interim: ex-distribution date 2 December 2013; payment date 31 January 2014.

M&G UK Growth Fund

FUND STATISTICS

NET ASSETS					
Period ended		Value per share		Number of shares	
		Inc	Acc	Inc	Acc
Sterling					
Class 'A'	May 2011	2,113.90	2,918.64	12,290,167	7,950,901
	May 2012	1,935.06	2,728.17	15,395,207	7,369,709
	May 2013	2,421.55	3,472.16	13,884,484	7,753,824
	Nov 2013	2,557.84	3,691.23	13,559,514	7,290,974
Class 'C'	May 2013	2,421.75	n/a	564,422	n/a
	Nov 2013	2,558.90	n/a	561,022	n/a
Class 'I'	May 2013	1,179.47	1,205.31	473,169	614,054
	Nov 2013	1,247.02	1,289.01	771,269	5,514,254
Class 'R'	May 2013	117.92	120.25	244,286	135,504
	Nov 2013	124.59	128.19	259,286	143,504
Class 'X'	May 2011	2,128.53	2,887.32	186,167	153,021
	May 2012	1,948.49	2,698.90	190,567	152,971
	May 2013	2,438.12	3,434.92	363,442	276,754
	Nov 2013	2,575.56	3,651.72	371,192	258,409
Euro					
		€	€		
Class 'A'	May 2011	n/a	8.8451	n/a	283,400
	May 2012	n/a	9.0204	n/a	159,000
	May 2013	n/a	10.7536	n/a	48,100
	Nov 2013	n/a	11.7541	n/a	142,000
Class 'C'	May 2011	n/a	9.0880	n/a	2,200
	May 2012	n/a	9.3383	n/a	1,700
	May 2013	n/a	11.2158	n/a	1,700
	Nov 2013	n/a	12.2713	n/a	1,700
Total net asset value of sub-fund					
Period ended		£		€ [a]	
	May 2011	502,446,000		575,652,000	
	May 2012	507,967,000		634,959,000	
	May 2013	651,372,000		762,671,000	
	Nov 2013	731,922,000		878,677,000	

[a] Based on the midday exchange rate on the last business day of each accounting period.

PORTFOLIO

PORTFOLIO STATEMENT

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
Oil & gas producers			
1,157,419 BG Group	14,601	1.99	
12,179,909 Borders & Southern Petroleum	1,492	0.20	
7,558,705 BP	36,440	4.98	
4,017,779 Cairn Energy	11,081	1.51	
1,499,343 Ophir Energy	5,060	0.69	
510,532 Royal Dutch Shell 'B'	10,959	1.50	
617,387 Tullow Oil	5,387	0.74	
Oil equipment, services & distribution			
2,503,264 Kentz	14,819	2.02	
516,343 Petrofac	6,552	0.90	
Chemicals			
3,767,338 Elementis	9,761	1.33	
Industrial metals & mining			
581,710 First Quantum Minerals	6,018	0.82	
Mining			
473,466 Anglo American	6,477	0.88	
867,170 BHP Billiton	16,233	2.22	
813,110 Rio Tinto	26,755	3.66	
Construction & materials			
1,898,625 Balfour Beatty	5,134	0.70	
Aerospace & defence			
3,254,832 Cobham	8,629	1.18	
380,257 Ultra Electronics Holdings	7,031	0.96	
General industrials			
5,960,607 DS Smith	18,418	2.52	
Industrial engineering			
1,370,896 Fenner	6,068	0.83	
439,307 Weir Group	9,471	1.29	
Industrial transportation			
2,595,641 BBA Aviation	8,457	1.16	
Support services			
1,012,534 Babcock International Group	13,143	1.80	
7,797,317 Hays	9,575	1.31	
340,506 Serco Group	1,561	0.21	
Food producers			
1,628,482 Tate & Lyle	12,751	1.74	
Household goods & home construction			
1,697,625 Bovis Homes Group	13,233	1.81	
Tobacco			
360,642 British American Tobacco	11,751	1.61	
Healthcare equipment & services			
2,424,434 Smith & Nephew	19,759	2.70	
Pharmaceuticals & biotechnology			
1,980,486 GlaxoSmithKline	32,015	4.38	
647,618 Shire	17,803	2.43	
Food & drug retailers			
General retailers			
4,934,866 Carphone Warehouse	13,990	1.91	
156,033 Signet Jewelers	7,340	1.00	
Media			
1,252,327 Informa	6,975	0.95	
5,804,807 ITV	11,093	1.52	
1,467,903 UBM	10,026	1.37	
883,934 WPP (formerly WPP Group)	12,004	1.64	

M&G UK Growth Fund

PORTFOLIO

PORTFOLIO STATEMENT (continued)

as at 30 November 2013

Holding	Value £'000	30.11.13 %	31.05.13 %
Travel & leisure			
2,862,316 International Airlines Group	10,539	2.77	1.17
2,614,593 TUI Travel	9,721	1.44	1.33
Fixed line telecommunications		0.00	0.94
Mobile telecommunications			
1,267,178 Inmarsat	8,801	6.25	4.62
16,130,388 Vodafone Group	36,922	1.20	5.05
Gas, water & multi-utilities		1.57	1.26
3,387,272 Centrica	11,517	1.57	
Banks		10.22	11.02
2,878,060 Barclays	7,824	3.83	3.83
4,103,898 HSBC Holdings	27,997	3.14	2.18
29,812,726 Lloyds Banking Group	22,953	2.18	
4,844,699 Royal Bank of Scotland Group	15,983		
Non-life insurance		1.11	0.00
1,807,867 Amlin	8,143	1.11	
Life insurance		6.69	6.61
5,030,645 Legal & General Group	10,766	1.47	
1,561,973 Prudential	20,415	2.79	
5,173,353 Resolution	17,770	2.43	
Financial services		3.60	3.87
1,752,298 Aberdeen Asset Management	8,621	1.18	
2,762,340 Ashmore Group	10,936	1.49	
1,166,382 IG Group Holdings	6,823	0.93	
Software & computer services		3.29	3.48
8,572,351 Anite	7,415	1.01	
1,245,830 Micro Focus International	10,097	1.38	
1,890,812 Sage Group	6,616	0.90	
Technology hardware & equipment		0.84	0.82
1,214,648 CSR	6,134	0.84	
Unquoted / unlisted		0.00	0.00
770,825 Izodia ^[a]	0	0.00	
'AAA' rated money market funds ^[b]		3.99	4.04
29,234,000 Northern Trust Global Fund - Sterling	29,234	3.99	
Portfolio of investments	723,089	98.79	99.13
Net other assets	8,833	1.21	0.87
Net assets attributable to shareholders	731,922	100.00	100.00

^[a] Suspended on 16 December 2002.

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

PORTFOLIO TRANSACTIONS

for the six months ended 30 November 2013

	£'000
Largest purchases	
International Airlines Group	9,215
Amlin	7,719
Signet Jewelers	7,387
Anglo American	7,300
Serco Group	7,241
CSR	6,480
Cairn Energy	6,278
Rio Tinto	5,901
Bovis Homes Group	5,582
Vodafone Group	5,569
Kentz	5,554
Centrica	4,854
Inmarsat	4,081
BP	3,779
BG Group	3,559
GlaxoSmithKline	3,529
Anite	3,518
Weir Group	3,347
Royal Bank of Scotland Group	3,138
TUI Travel	2,704
Northern Trust Global Fund - Sterling ^[a]	33,611
Other purchases	24,792
Total purchases	165,138
Largest sales	
Glencore Xstrata	9,109
Imperial Tobacco	8,993
Kingfisher	8,986
Cobham	8,747
Royal Dutch Shell 'B'	7,858
TalkTalk Telecom	7,171
Spirent Communications	5,180
Serco Group	4,280
Aggreko	3,227
Tesco	3,221
British American Tobacco	3,006
Barclays	2,593
ITV	2,393
Salamander Energy	2,257
AstraZeneca	2,129
Prudential	1,942
GlaxoSmithKline	1,795
Fenner	1,596
BHP Billiton	1,266
WPP Group	1,180
Northern Trust Global Fund - Sterling ^[a]	30,676
Other sales	5,986
Total sales	123,591

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

M&G UK Growth Fund

INTERIM FINANCIAL STATEMENTS (unaudited)

For the six months ended 30 November 2013.

STATEMENT OF TOTAL RETURN

	2013		2012	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		36,630		49,073
Revenue	10,402		9,413	
Expenses	(5,388)		(4,469)	
Net revenue before taxation	5,014		4,944	
Taxation	(3)		(5)	
Net revenue after taxation		5,011		4,939
Total return before distributions		41,641		54,012
Finance costs: Distributions		(4,759)		(4,067)
Change in net assets attributable to shareholders from investment activities		36,882		49,945

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	2013		2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		651,372		507,967
Amounts received on issue of shares	74,046		2,992	
Amounts paid on cancellation of shares	(32,818)		(17,135)	
		41,228		(14,143)
Stamp Duty Reserve Tax		(107)		(39)
Change in net assets attributable to shareholders from investment activities (see above)		36,882		49,945
Retained distributions on Accumulation shares		2,531		1,622
Unclaimed distributions		16		20
Closing net assets attributable to shareholders		731,922		545,372

The opening net assets attributable to shareholders for 2013 differs to the closing position in 2012 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

BALANCE SHEET

	as at 30 November 2013		as at 31 May 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		723,089		645,729
Debtors	5,418		8,110	
Cash and bank balances	8,281		4,597	
Total other assets		13,699		12,707
Total assets		736,788		658,436
Liabilities				
Net distributions payable on Income shares	(2,623)		(3,446)	
Other creditors	(2,243)		(3,618)	
Total liabilities		(4,866)		(7,064)
Net assets attributable to shareholders		731,922		651,372

NOTE TO THE FINANCIAL STATEMENTS

Accounting policies

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 31 May 2013. They are in accordance with the historical cost convention, as modified by the revaluation of investments, and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

Further Information

LIQUIDITY

The ACD's policy is that the sub-funds should normally be close to fully invested but this is subject to the need to retain liquidity for the purpose of effecting the redemption of shares, and the efficient management of the sub-funds in accordance with their objectives. There may, therefore, be occasions when there will be higher levels of liquidity, for example following the issue of shares or the realisation of investments. Higher liquidity levels may also arise when a sub-fund's asset allocation policy is changed.

DILUTION

The actual cost of purchasing or selling a sub-fund's investments may deviate from the mid-market price due to dealing costs and these costs can have an adverse effect on the value of the sub-fund, known as 'dilution'. The Collective Investment Schemes sourcebook, as issued (and amended) by the Financial Conduct Authority, allows the cost of dilution to be recovered from investors on the purchase or redemption of shares by means of a dilution adjustment to the dealing price, and this is the policy which has been adopted by the ACD.

Further information on the ACD's dilution adjustment policy is in the Prospectus, which is available free of charge from the ACD, M&G Securities Limited.

THE EU SAVINGS DIRECTIVE

The percentage of the following M&G sub-funds held in interest-bearing assets (as defined by the UK rules for the EU Savings Directive 2003/48/EC) is as follows:

M&G Extra Income Fund	20.57%
M&G Gilt & Fixed Interest Income Fund	100.00%
M&G High Yield Corporate Bond Fund	98.39%
M&G Index-Linked Bond Fund	99.92%
M&G Index Tracker Fund	0.31%
M&G Short Dated Corporate Bond Fund	98.48%
M&G UK Growth Fund	5.13%

OTHER

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.

PORTFOLIO TURNOVER RATES

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within each sub-fund over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the sub-fund's shares and is expressed as a percentage of the sub-fund's average net asset value.

The unaudited PTRs for the sub-funds currently registered in Switzerland are as follows:

	as at 30.11.13	as at 31.05.13
M&G High Yield Corporate Bond Fund	142.40%	95.59%
M&G Short Dated Corporate Bond Fund	170.88%	217.40%
M&G UK Growth Fund	57.75%	68.36%

TOTAL EXPENSE RATIOS

The Total Expense Ratio (TER) is shown only for those share classes currently available in Switzerland. The TER shows the relevant annualised operating expenses of each share class from the most recent reporting period as a single percentage of the average net asset value for that share class over the same period.

The unaudited TERs for the sub-funds currently registered in Switzerland are as follows:

	Share class	Total Expense Ratio		
		30.11.13	31.05.13	
		%	%	
M&G High Yield Corporate Bond Fund	Euro	Class 'A-H'	1.44	1.46
		Class 'C-H'	0.84	0.87
	US dollar	Class 'A-H'	1.44	1.46
		Class 'C-H'	0.84	0.86
M&G Short Dated Corporate Bond Fund	Euro	Class 'A-H'	1.13	n/a*
		Class 'C-H'	0.60	n/a*
	US dollar	Class 'A-H'	1.13	n/a*
		Class 'C-H'	0.63	n/a*
	Swiss franc	Class 'A-H'	1.13	n/a*
		Class 'C-H'	0.64	n/a*
M&G UK Growth Fund	Sterling	Class 'A'	1.66	1.66
	Euro	Class 'A'	1.66	1.68
		Class 'C'	0.94	0.87

* Share class launched 26 July 2013.

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