

M&G Investment Funds (4)

**Annual report and audited financial statements
for the year ended 31 October 2023**

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (4) presents its annual report and audited financial statements for the year ended 31 October 2023.

The audited financial statements of M&G Investment Funds (4), the Authorised Corporate Director's Reports including the portfolio statements, financial highlights and the audited financial statements and notes of each sub-fund are presented in their individual sections of this report as set out in the contents page.

Please note that an explanation of key investment terminology is available on our website at mandg.com/private-investor/glossary. A printed copy of the glossary is available upon request by calling customer services and administration as shown within the 'Investor information' section of this report.

Company information

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

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

The Company's principal activity is to carry out business as an OEIC. The Company is structured as an umbrella company, and different funds may be established by the ACD from time to time with the agreement of the

Depositary and approval from the FCA. The funds are operated separately and the assets of each fund are managed in accordance with the investment objective and policy applicable to that fund.

As at 31 October 2023, none of the funds held shares of the other funds within this OEIC.

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

Fund managers

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

M&G Episode Allocation Fund

Tony Finding & Stuart Canning

M&G Episode Growth Fund

Craig Simpson & Tony Finding

M&G Managed Growth Fund

Craig Simpson

M&G Sustainable Multi Asset Fund

Maria Municchi

M&G Sustainable Multi Asset Balanced Fund

Maria Municchi

M&G Sustainable Multi Asset Cautious Fund

Maria Municchi

M&G Sustainable Multi Asset Growth Fund

Maria Municchi

ACD

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

Directors of the ACD

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

Authorised Corporate Director's Report

Investment manager

M&G Investment Management Limited,
10 Fenchurch Avenue, London EC3M 5AG, UK
(Authorised and regulated by the Financial Conduct Authority)

Registrar

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

Depository

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

Independent auditor

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

Annual value assessment

An annual assessment report is available which shows the value provided to investors in each of M&G's UK-based funds. The assessment report evaluates whether M&G's charges are justified in the context of the overall service delivered to its investors. The latest report to 31 March 2023 can be found on our website at mandg.com/investments/valueassessment

Climate-related Financial Disclosures (TCFD)

We have produced TCFD reports in compliance with the FCA's rules on climate-related financial disclosures. The TCFD fund reports are designed to help you understand the impact these funds have on the climate and equally how climate change could influence the performance of these funds. The reports will also give you the ability to compare a range of climate metrics with other funds. To understand the governance, strategy and risk management that M&G has in place to manage the risks

and opportunities related to climate change, please refer to the M&G Investments Management TCFD report.

These reports are available via the Sustainability Disclosures page on our website at mandg.com/footer/sustainability-disclosures

Important information

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

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

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

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

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

Authorised Corporate Director's Report

Investor information

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

Customer services and administration for UK clients:

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

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

Telephone: 0800 390 390 (UK only)

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

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

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

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

Directors' statement

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

M&G Securities Limited
7 February 2024

Depository's Responsibilities and Report

Statement of the Depository's Responsibilities and Report of the Depository to the Shareholders of M&G Investment Funds (4) ('the Company') for the year ended 31 October 2023

The Depository must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depository must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depository is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depository must ensure that:

- the Company's cashflows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the AFM') are carried out (unless they conflict with the Regulations).

The Depository also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depository of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Edinburgh
7 February 2024

NatWest Trustee and
Depository Services Limited

Independent Auditor's Report

Independent Auditor's Report to the shareholders of M&G Investment Funds (4)

Opinion

We have audited the financial statements of M&G Investment Funds (4) ("the Company") comprising each of its sub-funds for the year ended 31 October 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Company, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 October 2023 and of the net revenue and the net capital gains/(losses) on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ((UK) ("ISAs (UK)")) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Authorised Corporate Director's ("the ACD") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

Independent Auditor's Report

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Instrument of Incorporation; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the rules of the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the ACD

As explained more fully in the ACD's responsibilities statement set out on page 4, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), the Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrator and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified two fraud risks with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution, and the incorrect valuation of suspended investments. We tested the appropriateness of management's classification of a sample of special dividends as either a capital or revenue return. In relation to suspended investments, we performed an independent assessment of fair value using IPEV guidelines and market information.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the

Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate, to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Edinburgh
7 February 2024

Ernst & Young LLP
Statutory Auditor

Financial statements and notes

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

Notes to the financial statements

1 Statement of compliance

The financial statements of M&G Investment Funds (4) have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017, except in relation to the separate disclosure in note 13.

2 Summary of significant accounting policies

a. Basis of preparation

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

The financial statements of M&G Investment Funds (4) are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

b. Functional and presentational currency

The functional and presentational currency of M&G Investment Funds (4) is UK sterling.

c. Exchange rates

Transactions in currencies other than each fund's functional currency are translated at the rate of exchange ruling on the date of the transaction and where applicable assets and liabilities are translated into the fund's functional currency at the rate of exchange ruling as at 12 noon on 31 October 2023 being the last business day of the accounting period.

d. Investments – recognition and valuation

The provisions of both Section 11 and Section 12 of FRS 102 have been applied in full. All investments have been classified as fair value through profit and loss and recognised initially at fair value, which is normally the transaction price (excluding transaction costs and accrued interest).

At the end of the reporting period all investments have been measured at their fair value using the prices and the portfolio holdings determined at 12 noon on 31 October 2023, being the last valuation point of the accounting period, as this is not materially different from a valuation carried out at close of business on the balance sheet date.

Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the single price or most recent transaction price is used. Interest accrued is not included in the fair value. The methods of determining fair value for the principal classes of investment are:

- Equities and debt securities which are traded on an active market are included at the quoted price, which is normally the bid price, excluding any accrued interest in respect of bonds.

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- Equities traded on the Alternative Investment Market (AIM), whose liquidity cannot be guaranteed, are included at their quoted bid price as this represents the most objective and appropriate method of valuation.
 - Collective investment schemes operated by the ACD are included at either their cancellation price for dual priced funds or their single price for single priced funds.
 - Collective investment schemes operated by another manager are included at either their bid price for dual priced funds or their single price for single priced funds.
 - Other equities and debt securities which are unquoted or not actively traded on a quoted market are included at a value estimated by the ACD using an appropriate valuation technique, excluding any accrued interest in respect of bonds.
 - Exchange traded futures and options are included at the cost of closing out the contract at the balance sheet date.
 - Over the counter equity options, credit default swaps, interest rate swaps, asset swaps and inflation swaps are included at a value provided by Markit Valuations Limited, an independent credit derivative price provider. Their fair value excludes any accrued interest in respect of derivatives where the income is revenue in nature.
 - Forward currency contracts, for share class hedging and investment, are included at a value determined by reference to current forward exchange rates for contracts with similar maturity profiles.
- e. Recognition of income and expenses**
- Dividends, including ordinary stock dividends, from equity investments are recognised when the security is quoted ex-dividend.
 - Distributions from collective investment schemes are recognised when the scheme is priced ex-distribution.
 - Interest on debt securities is recognised on an effective interest rate basis. Bank interest is recognised on an accruals basis.
 - Underwriting commission is recognised when the issue takes place.
 - Revenue from derivatives is recognised on an accruals basis.
 - Fee rebates from investing in other collective investment schemes are recognised on an accruals basis.
 - Expenses are recognised on an accruals basis.
- f. Treatment of income and expenses**
- Any increases or decreases in the fair value of investments and gains and losses realised on sales of investments are treated as capital and recognised in net capital gains/(losses).
 - The value of any enhancement to a stock dividend is treated as capital.
 - Ordinary equity dividends, including ordinary stock dividends are treated as revenue.
 - Special dividends, share buy backs or additional share issues may be treated as revenue or capital depending on the facts of each particular case.
 - Distributions from collective investment schemes are treated as revenue in nature, except for any element of equalisation, which represents the average amount of income included in the price paid for the collective investment scheme, which is treated as capital.

Financial statements and notes

- Debt security interest comprises the coupon interest and the difference between the purchase price and the expected maturity price spread over its expected remaining life. This is treated as revenue with the difference adjusting the cost of the shares and treated as capital.
- Other interest income, such as bank interest is treated as revenue.
- Underwriting commission is treated as revenue, except where the fund is required to take up all or some of the shares underwritten, in which case a proportion of the commission received is deducted from the cost of the shares and treated as capital.
- The treatment of the income on derivative contracts depends upon the nature of the transaction. Both motive and circumstances are used to determine whether the returns should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital, and the circumstances support this, the returns are recognised in net capital gains; similarly where the motives and circumstances are to generate or protect revenue, and the circumstances support this, the returns are included within net revenue before taxation. Where positions generate total returns it will generally be appropriate to apportion such returns between capital and revenue to properly reflect the nature of the transaction.
- Expenses relating to the purchase and sale of investments are treated as capital; all other expenses are treated as revenue.
- Rebates of charges from holdings in collective investment schemes are treated as revenue or capital in accordance with the underlying scheme's distribution policy.

g. Operating charges

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

- **Annual charge:** Charge paid to M&G covering the annual cost of M&G managing and administering the fund and the costs of third parties providing services to the fund. For every £1 billion of a fund's net asset value, a discount of 0.02% will be applied to that fund's annual charge (up to a maximum of 0.12%).
- **Extraordinary legal and tax expenses:** Costs that specifically relate to legal or tax claims that are both exceptional and unforeseeable. Such expenses are uncommon, and would not be expected in most years. Although they result in a short-term cost to the fund, generally they can deliver longer term benefits for investors.
- **Ongoing charges from underlying funds:** Ongoing charges from underlying funds (excluding Investment Trust Companies and Real Estate Investment Trusts) will be rebated.

These charges do not include portfolio transaction costs or any entry and exit charges (also known as initial and redemption charges). The charging structures of share classes may differ, and therefore the operating charges may differ.

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

Financial statements and notes

h. Portfolio transaction costs

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

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

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

To protect existing investors, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

i. Tax

Dividends and similar income receivable are recognised at an amount that includes any withholding tax but excludes irrecoverable tax credits. Any withholding tax suffered is shown as part of the tax charge.

Tax is accounted for at the appropriate rate of corporation tax with relief for double taxation taken where appropriate. The tax accounting treatment follows the principal amounts involved.

Deferred tax is recognised in respect of temporary timing differences that have originated but not reversed by the balance sheet date. Deferred tax is measured on a non-discounted basis, at the average rate of tax expected to apply in the period

in which it expects the deferred tax to be realised or settled. A deferred tax asset is only recognised to the extent that it is more likely than not that the asset will be recovered.

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

j. Allocation of returns to share classes

The annual charge is directly attributable to individual share classes. All other returns are apportioned to each fund's share classes pro-rata to the value of the net assets of the relevant share class on the day that the income or expenses are recognised.

All available net revenue accounted for in accordance with the above policies and adjusted where relevant by any specific distribution policies set out in the notes to that fund's financial statements, is distributed to holders of Income shares or retained and reinvested for holders of Accumulation shares. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the fund.

3 Risk management policies

The ACD is responsible for establishing, implementing and maintaining an adequate and documented risk management policy for identifying, measuring and managing all risks to which funds are or might be exposed.

The Company's investment activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests; market risk, credit risk and liquidity risk.

These financial statements are designed to enable users to evaluate the nature and extent of those risks and how they are managed.

Financial statements and notes

The following risk management policies are applicable to the funds, with specific risk disclosures set out in the notes to the financial statements of each fund.

a. Market risk

Market risk is the risk of loss resulting from fluctuations in the market value of positions in a fund's portfolio attributable to changes in market variables, such as interest rates, exchange rates, equity and commodity prices or an issuer's creditworthiness.

In relation to market risk, processes are applied that take account of the investment objective and policy of each fund. All funds are subject to an investment oversight process in accordance with the type and nature of the fund. In addition all funds are monitored for compliance within regulatory limits.

In measuring and monitoring market risk, the global exposure of a fund is calculated using a 'Value at Risk' (VaR) approach.

b. Value at Risk approach

The Value at Risk (VaR) approach is a methodology for estimating the maximum potential loss due to market risk based on historic market volatilities and correlations. More particularly, the VaR approach gives a broad indication of the maximum potential loss at a given confidence level (probability), over a specific time period under normal market conditions.

Instrument and portfolio modelling techniques are based on market accepted practices and are subject to regular audit (back-testing). Market risk factors that are analysed include swap rates, government yield curves, equity prices, exchange rates, market volatility, credit spreads and credit default swap (CDS) spreads.

The VaR model is based on a Monte Carlo process with actual VaR being reported on the basis of a 99% confidence interval over a one month period (20 business days). Risk factor history used in the

Monte Carlo process is based on 250 business days. From the variance/covariance matrices, a parametric Monte Carlo scenario set of 5,000 simulations is derived and applied to the fund.

VaR does have limitations in its ability to present valid levels of risk in extreme market conditions. Accordingly, the Risk Analysis team also carries out monthly stress testing and scenario based analysis. Stress testing allows for extreme sets of market circumstances which may not be reflected in historical data sets thereby enabling further assessment of combinations of market movements which may cause serious damage to portfolio values. The key element to the scenario based analysis is challenging the correlation assumptions implicit within statistical based models such as VaR.

The stress test and scenario based analysis is customised for each fund type and the VaR analysis is produced on a daily basis.

c. Liquidity risk

Liquidity risk is the risk that a fund's holdings cannot be sold, liquidated or closed out at limited cost in an adequately short time frame and that the ability of the scheme to comply at any time with its obligation to sell and redeem shares is thereby compromised.

The overall liquidity profile for each fund is reviewed and updated regularly. The liquidity profile takes into account investment, cashflow and market liquidity considerations.

Investment liquidity considerations include an assessment of asset class liquidity conditions, liquidity of underlying holdings, portfolio construction and concentration, the scale of individual stock ownership and the nature of the investment strategy.

Cashflow liquidity is managed in each fund on a daily basis using reports that include subscription and redemption information as well as the impact

Financial statements and notes

of trading, derivative lifecycle events and corporate action activity. In addition to the daily reporting, the fund managers are provided with reporting that highlights the impact of reasonably predictable events in the portfolio, including an allowance for the potential future exposures that might result from derivative exposures.

Market (or distribution-related) considerations include an assessment of asset demand, fund growth, client concentration and the persistency of the client base. Supplementary to this, market liquidity stress tests are carried out on a monthly basis for all funds.

Liquidity in funds is independently assessed and challenged through the internal governance process at M&G. Fund liquidity is modelled and compared against potential liability scenarios such as severe redemption or collateral calls and any funds with liquidity issues are flagged to the internal committee. Funds flagged to the internal committee are escalated and remedial action agreed. None of the funds have been escalated for remedial action.

d. Credit risk

For funds exposed to credit risk, the credit rating, yield and maturity of each interest bearing security is considered to determine if the yield fully reflects the risk. The capital value of interest-bearing securities within the funds will fall in the event of the default or perceived increased credit risk of an issuer.

The capital value of interest-bearing securities within a fund may also be affected by interest rate fluctuations such that when interest rates rise, the capital value of the interest-bearing securities is likely to fall and vice versa.

Funds investing in derivatives are exposed to counterparty risk. This is the risk that the other party to the transaction fails to fulfil their obligations, either by failing to pay or failing to deliver securities. To minimise this risk, carefully

selected, financially strong and well-established counterparties are selected following a thorough due diligence review and collateral is posted daily (in the form of cash or high-quality government bonds). Derivative positions are valued on a mark-to-market basis (revalued to reflect prevailing market prices) daily and collateral moves from one counterparty to the other to reflect movements in the unrealised profit or loss. As a result, the maximum loss to the fund would be limited to that day's price movements in affected derivatives contracts.

For funds in which they are used, credit default swaps are bought and sold in response to detailed credit research to take advantage of anticipated movements in credit spreads on individual stocks and baskets of securities. When a fund buys a credit default swap the default risk associated with the underlying security transfers to the counterparty. When a fund sells a credit default swap the fund assumes the credit risk of the underlying security.

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

Investment objective

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

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

Investment policy

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

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

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

Investment approach

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

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

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

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

Benchmark

Benchmark: SONIA + 5%

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

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

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Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 14.

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



The above number:

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

Investment review

For the year ended 31 October 2023

Performance against objective

Over the review period, the M&G Episode Allocation Fund produced a positive total return (the combination of income and growth of capital), but was behind its benchmark*, the Sterling Overnight Index Average (SONIA) + 5.0% across all of its share classes. The benchmark returned 9.6% over the period. SONIA reflects the average interest rate that banks pay to borrow sterling overnight from other financial institutions.

The fund's objective is to achieve a total return of at least 5% per annum above the 3-month SONIA, before any charges are taken, over any five-year period. Over five years, the fund produced a positive return but did not meet its objective. The annualised five-year return for the benchmark was 6.4% pa over the period.

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

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

Performance review

The 12 month period under review was a volatile but ultimately positive period for most equity and bond markets, with the notable exception of developed market government bonds. The period was made up of two distinct phases as investor sentiment switched from being positive to sharply negative in August 2023.

Initially, investors were encouraged by signs that inflation was moderating, raising hopes that major central banks would slow the pace of interest rate hikes and risk assets rallied. The reopening of the Chinese economy also fuelled optimism in equity markets, especially in Asia. There were, however, some worrying signs, such as the strong US labour market and high core inflation (without the more volatile components such as energy and food prices), which led to concern that central banks might raise interest rates higher and hold them at elevated levels for a longer period.

These concerns were crystallised later in the period when, despite falling inflation, central banks retained their hawkish stance, warning that interest rates would have to stay higher for longer. This weighed heavily on developed market government bonds, particularly those with longer maturities, since they are more sensitive to interest rate increases. Bond yields, which move in the opposite direction to prices, rose to multi-year highs. The rise in yields in bond markets led to falls in the prices of other assets and most stockmarkets declined sharply in the later part of the review period.

Despite the late weakness, most equity markets still rose over the period, led by Italy, the technology-dominated Nasdaq in the US, Hong Kong and other European markets. Not all markets participated in the rally, however, with the UK's mid-cap index falling and China lagging. In terms of sectors, the communications services and technology sectors led the way, driven in large part by strength in the 'megacap' stocks in the US,

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such as Amazon, Apple and Microsoft. On the other hand, real estate and healthcare stocks declined.

Falls in government bond markets were led by UK gilts, although German bunds and US Treasuries also declined, while emerging markets bonds rallied strongly. Corporate bonds also performed well, with high yield bonds outperforming investment grade.

Currency markets also exhibited distinct periods of performance, with the US dollar initially weakening against most major currencies before rallying strongly as it became clear US interest rates would stay elevated. Over the period as a whole, the euro strengthened relative to the US dollar, with sterling not far behind, although the yen was weak against most other currencies.

Against this backdrop, the fund delivered a positive return but underperformed its benchmark. Our allocation to equities was the main driver of performance with exposure to European, Japanese and Asian stocks proving particularly beneficial. The weakness of the dollar weighed on US stocks.

Our activity in the foreign exchange markets was positive for performance, notably our US dollar and yen positions relative to sterling, as they benefited from the weakness of those currencies.

Holdings of emerging market government bonds also generated positive contributions, particularly bonds from Brazil and Mexico, as well as an emerging markets bond fund. Our corporate bond funds added modest value too.

The largest detractor to performance was the allocation to US government bonds, both long-dated conventional and inflation-linked bonds. UK gilts also cost a little value, as did our exposure to a property investment fund.

Investment activities

We were particularly active in the fixed income market in response to changes in yield. Early in the review period, we reduced our exposure to 30-year US Treasuries after a rally in the bond market. The position was rebuilt after yields rose sharply in August. We also

initiated a position in two-year US Treasuries after price weakness in February. After a sharp rally in short-dated Treasuries following a crisis in the banking sector, we took full advantage of this 'episode' to close the position in March.

As we entered 2023, we felt it was prudent to reduce risk in the portfolio and scaled back positions that had performed well to hold the proceeds in cash. A small position in a dollar-denominated sovereign bond from Turkey was closed and our financial stocks were sold after good performance.

Following weakness in the UK bond market, we added material exposure to long-dated UK gilt and investment grade corporate bonds at the end of May, hence reducing a long held underweight position.

Towards the end of the period, we responded to the collapse at the long end of the bond market by adding a diversified mix of long-dated bond exposure. We increased our positions in long-dated US Treasuries and gilts and bought 30-year bunds. In our view, the bonds were offering both attractive absolute levels of yield and potential diversification in a 'risk-off' environment. We also increased holdings of corporate bond funds.

Outlook

It is notable how much market beliefs have changed over the past 12 months. As we entered the review period, there was almost complete confidence that a recession was inevitable, while today there seems to be equal confidence that growth will prove resilient. In our view, there seems little expectation that earnings could come under pressure from the deterioration in the financial positions of both consumers and companies. This possible complacency makes us somewhat cautious. Although valuations are undoubtedly more attractive, we think the possibility of rising short term interest rates could leave equities vulnerable.

For this reason, the fund continues to be positioned relatively cautiously, with a below-neutral position in equities. We have, however, boosted our allocation to fixed income, believing that the price weakness offered a good entry point for US Treasuries, gilts and bunds, as yield moves appear at odds to economic data. In

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particular, the longer end of the yield curve appears more attractive after a meaningful steepening over the last four months.

We also remain positive on emerging market government bonds since the levels of yields in our opinion offer appropriate compensation in an environment where inflation remains well behaved and some emerging market central banks have begun to reduce interest rates.

Tony Finding & Stuart Canning

Co-fund managers

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

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

Portfolio statement

Investments

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities	0	0.00	5.10
United Kingdom	0	0.00	0.76
UK equities	0	0.00	0.76
United States	0	0.00	4.34
US equities	0	0.00	4.34
Equity derivatives	(125)	(0.06)	(0.21)
Other	(125)	(0.06)	(0.21)
Other equity futures	(125)	(0.06)	(0.21)
99 Hang Seng China Enterprises Index Nov 2023	(61)	(0.03)	
34 Hang Seng Index Nov 2023	(64)	(0.03)	
Equity portfolios	77,333	38.11	36.13
United Kingdom	8,102	3.99	4.26
2,292,688 M&G Recovery Fund Sterling Class 'C' Accumulation ^a	8,102	3.99	
Other	69,231	34.12	31.87
46,150 Amundi Euro Stoxx 50 ETF	4,058	2.00	
1,156,015 Amundi MSCI Japan ETF	14,066	6.93	
652,066 Lyxor FTSE 100 ETF	7,977	3.93	
62,929 Lyxor MSCI Korea ETF	2,966	1.46	
280,947 Lyxor S&P 500 ETF	9,921	4.89	
38,140 Xtrackers DAX ETF	4,673	2.30	
217,241 Xtrackers FTSE MIB ETF	5,121	2.53	
379,683 Xtrackers JPM ETF	8,900	4.39	
163,541 Xtrackers MSCI Indonesia Swap ETF	1,972	0.97	
2,097,743 Xtrackers MSCI Singapore ETF	2,215	1.09	
57,124 Xtrackers MSCI Taiwan ETF	2,161	1.07	
221,217 Xtrackers Spain ETF	5,201	2.56	
Fixed income	63,664	31.38	26.09
United Kingdom	43,279	21.33	5.49
Government bonds	43,279	21.33	5.49
£13,187,000 UK Treasury 0% 20/11/2023	13,148	6.48	
£7,720,000 UK Treasury 0% 15/01/2024	7,636	3.76	
£7,490,000 UK Treasury 0% 29/01/2024	7,393	3.65	
£18,530,000 UK Treasury 3.75% 22/10/2053	15,102	7.44	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
United States	4,518	2.23	11.79
Government bonds	4,518	2.23	11.79
US\$9,400,000 US Treasury IL 0.125% 15/02/2052	4,518	2.23	
Brazil	4,775	2.35	1.88
Government bonds	4,775	2.35	1.88
BRL31,000,000 Brazil (Federal Republic of) 10% 01/01/2029	4,775	2.35	
Mexico	7,977	3.93	3.77
Government bonds	7,977	3.93	3.77
MXN216,347,700 Mexico (United Mexican States) 8% 07/11/2047	7,977	3.93	
South Africa	5,572	2.75	2.85
Government bonds	5,572	2.75	2.85
ZAR172,172,800 South Africa (Republic of) 8.5% 31/01/2037	5,572	2.75	
Türkiye	0	0.00	1.29
Government bonds	0	0.00	1.29
Debt derivatives	(2,457)	(1.21)	(0.98)
Interest rate futures	(2,457)	(1.21)	
49 Euro-Buxl 30 Years Bond Dec 2023	124	0.06	
267 US Ultra Bond Dec 2023	(2,581)	(1.27)	
Fixed income portfolios	35,118	17.31	16.50
Other	35,118	17.31	16.50
93,410 iShares Core GBP Corporate Bond ETF	10,905	5.37	
93,008 iShares JPMorgan USD EM Bond ETF	6,105	3.01	
82,712 iShares USD High Yield Corporate Bond ETF	6,038	2.98	
1,526,044 M&G Global High Yield Bond Fund Sterling Class 'A' Accumulation ^a	2,012	0.99	
72,210 M&G Total Return Credit Investment Fund Sterling Class 'A-H' Accumulation ^a	10,058	4.96	
Property	0	0.00	5.04
United Kingdom	0	0.00	5.04
Currency	196	0.10	0.03
Forward currency contracts	196	0.10	0.03
US\$8,011,395 Bought for KRW10,783,791,642 (expires 24.01.24)	(10)	0.00	
€(23,753,129) Sold for £20,768,192 (expires 31.01.24)	(92)	(0.04)	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Currency (continued)			
Forward currency contracts (continued)			
¥(2,510,797,055) Sold for £14,005,391 (expires 31.01.24)	131	0.06	
SG\$(3,212,143) Sold for £1,941,904 (expires 31.01.24)	5	0.00	
US\$(36,781,513) Sold for £30,338,196 (expires 31.01.24)	156	0.08	
US\$2,566,819 Bought for TWD82,090,647 (expires 31.01.24)	6	0.00	
Total portfolio	176,186	86.84	88.68
Net other assets/(liabilities)	26,704	13.16	11.32
Net assets attributable to shareholders	202,890	100.00	100.00

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

^a Related party.

Portfolio statement

Top ten portfolio transactions for the year to 31 October 2023

Largest purchases	£'000
UK Treasury 0% 03/07/2023	19,740
UK Treasury 3.75% 22/10/2053	15,764
UK Treasury 0% 20/11/2023	13,013
UK Treasury 0% 29/08/2023	12,760
US Treasury 4.125% 31/01/2025	11,232
iShares Core GBP Corporate Bond ETF	11,013
UK Treasury 0% 09/10/2023	9,697
Xtrackers JPM ETF	8,860
UK Treasury 0% 15/01/2024	7,606
UK Treasury 0% 29/01/2024	7,379
Other purchases	62,817
Total purchases	179,881

Largest sales	£'000
UK Treasury 0% 03/07/2023	19,849
US Treasury 0% 06/04/2023	19,238
UK Treasury 0% 29/08/2023	13,016
US Treasury 4.125% 31/01/2025	11,361
UK Treasury 0% 09/10/2023	9,899
M&G Property Portfolio Sterling Class 'I' Income ^a	9,685
UK Treasury 0% 17/04/2023	9,305
iShares JPMorgan EM Local Government Bond ETF	8,882
UK Treasury 0% 23/10/2023	7,374
UK Treasury 0% 02/05/2023	7,226
Other sales	70,726
Total sales	186,561

^a Related party.

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+6.1	+4.7	+2.0	+3.1
Class 'A' Accumulation	+6.1	+4.7	+2.0	+3.1
Class 'I' Income	+6.4	+5.1	+2.4	+3.6
Class 'I' Accumulation	+6.4	+5.1	+2.4	+3.7
Class 'PP' Income	+6.5	+5.2	n/a	n/a
Class 'PP' Accumulation	+6.5	+5.2	n/a	n/a
Class 'R' Income	+6.2	+4.9	+2.2	+3.4
Class 'R' Accumulation	+6.2	+4.9	+2.2	+3.4
Benchmark^b	+9.6	+6.9	+6.4	+6.0

^a Not annualised.

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

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 16 February 2007.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	129.10	143.06	124.80
Return before operating charges	9.21	(8.92)	22.68
Operating charges	(1.44)	(1.45)	(1.58)
Return after operating charges	7.77	(10.37)	21.10
Distributions	(5.21)	(3.59)	(2.84)
Closing NAV	131.66	129.10	143.06
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.02	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.01	0.01
Operating charges	1.05	1.05	1.12
Return after charges	+6.02	-7.25	+16.91
Other information			
Closing NAV (£'000)	24,260	24,167	21,124
Number of shares	18,426,940	18,719,792	14,765,544
Highest share price (UK p)	142.85	146.01	145.53
Lowest share price (UK p)	129.00	127.95	125.53

Sterling Class 'A' Accumulation share performance

The share class was launched on 16 February 2007.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	185.79	200.51	171.45
Return before operating charges	13.10	(12.66)	31.25
Operating charges	(2.10)	(2.06)	(2.19)
Return after operating charges	11.00	(14.72)	29.06
Distributions	(5.53)	(3.07)	(1.77)
Retained distributions	5.53	3.07	1.77
Closing NAV	196.79	185.79	200.51
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.02
Dilution adjustments	(0.01)	(0.01)	0.00
Total direct transaction costs	0.01	0.01	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.01	0.01
Operating charges	1.05	1.05	1.12
Return after charges	+5.92	-7.34	+16.95
Other information			
Closing NAV (£'000)	32,837	31,426	35,995
Number of shares	16,686,718	16,915,432	17,951,323
Highest share price (UK p)	208.54	204.66	203.16
Lowest share price (UK p)	185.63	182.86	172.44

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	1,246.97	1,376.23	1,195.42
Return before operating charges	87.79	(86.98)	216.33
Operating charges	(8.64)	(8.70)	(9.41)
Return after operating charges	79.15	(95.68)	206.92
Distributions	(49.34)	(33.58)	(26.11)
Closing NAV	1,276.78	1,246.97	1,376.23
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.13	0.15	0.15
Dilution adjustments	(0.05)	(0.04)	(0.02)
Total direct transaction costs	0.08	0.11	0.13
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.01	0.01
Operating charges	0.65	0.65	0.70
Return after charges	+6.35	-6.95	+17.31
Other information			
Closing NAV (£'000)	13,073	15,179	21,280
Number of shares	1,023,888	1,217,297	1,546,223
Highest share price (UK p)	1,383.60	1,404.74	1,399.08
Lowest share price (UK p)	1,246.03	1,235.47	1,202.47

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	1,554.59	1,672.44	1,425.13
Return before operating charges	108.23	(107.19)	258.58
Operating charges	(10.89)	(10.66)	(11.27)
Return after operating charges	97.34	(117.85)	247.31
Distributions	(51.77)	(30.90)	(20.32)
Retained distributions	51.77	30.90	20.32
Closing NAV	1,651.93	1,554.59	1,672.44
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.17	0.18	0.18
Dilution adjustments	(0.06)	(0.04)	(0.02)
Total direct transaction costs	0.11	0.14	0.16
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.01	0.01
Operating charges	0.65	0.65	0.70
Return after charges	+6.26	-7.05	+17.35
Other information			
Closing NAV (£'000)	123,225	130,473	229,972
Number of shares	7,459,472	8,392,694	13,750,670
Highest share price (UK p)	1,749.15	1,707.12	1,693.68
Lowest share price (UK p)	1,553.23	1,529.97	1,433.47

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	94.77	104.48	90.62
Return before operating charges	6.65	(6.64)	16.37
Operating charges	(0.56)	(0.55)	(0.56)
Return after operating charges	6.09	(7.19)	15.81
Distributions	(3.73)	(2.52)	(1.95)
Closing NAV	97.13	94.77	104.48
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.01	0.01
Operating charges	0.55	0.55	0.55
Return after charges	+6.43	-6.88	+17.45
Other information			
Closing NAV (£'000)	89	84	30
Number of shares	91,465	89,089	29,089
Highest share price (UK p)	105.22	106.64	106.19
Lowest share price (UK p)	94.70	93.88	91.16

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	100.70	108.25	92.13
Return before operating charges	7.00	(6.96)	16.70
Operating charges	(0.60)	(0.59)	(0.58)
Return after operating charges	6.40	(7.55)	16.12
Distributions	(3.44)	(2.09)	(1.44)
Retained distributions	3.44	2.09	1.44
Closing NAV	107.10	100.70	108.25
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.01	0.01
Operating charges	0.55	0.55	0.55
Return after charges	+6.36	-6.97	+17.50
Other information			
Closing NAV (£'000)	4,669	13,194	48,529
Number of shares	4,359,639	13,102,018	44,830,793
Highest share price (UK p)	113.37	110.49	109.60
Lowest share price (UK p)	100.60	99.11	92.67

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	121.84	134.81	117.39
Return before operating charges	8.65	(8.44)	21.30
Operating charges	(1.17)	(1.18)	(1.25)
Return after operating charges	7.48	(9.62)	20.05
Distributions	(4.88)	(3.35)	(2.63)
Closing NAV	124.44	121.84	134.81
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.01	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.01	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.01	0.01
Operating charges	0.90	0.90	0.95
Return after charges	+6.14	-7.14	+17.08
Other information			
Closing NAV (£'000)	1,841	1,797	1,930
Number of shares	1,478,771	1,473,852	1,431,852
Highest share price (UK p)	134.95	137.59	137.10
Lowest share price (UK p)	121.74	120.74	118.08

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	152.55	164.44	140.40
Return before operating charges	10.70	(10.44)	25.54
Operating charges	(1.48)	(1.45)	(1.50)
Return after operating charges	9.22	(11.89)	24.04
Distributions	(4.74)	(2.71)	(1.68)
Retained distributions	4.74	2.71	1.68
Closing NAV	161.77	152.55	164.44
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.02
Dilution adjustments	(0.01)	0.00	0.00
Total direct transaction costs	0.01	0.02	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.01	0.01
Operating charges	0.90	0.90	0.94
Return after charges	+6.04	-7.23	+17.12
Other information			
Closing NAV (£'000)	2,896	2,781	3,055
Number of shares	1,790,214	1,823,313	1,858,109
Highest share price (UK p)	171.38	167.84	166.58
Lowest share price (UK p)	152.41	150.14	141.22

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Statement of total return

for the year to 31 October	Note	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		7,306		(26,998)
Revenue	5	9,320		8,682	
Expenses	6	(1,667)		(2,224)	
Interest payable and similar charges		(2)		(21)	
Net revenue/(expense) before taxation		7,651		6,437	
Taxation	7	(1,142)		(1,005)	
Net revenue/(expense) after taxation			6,509		5,432
Total return before distributions			13,815		(21,566)
Distributions	8		(6,922)		(5,910)
Change in net assets attributable to shareholders from investment activities			6,893		(27,476)

Statement of change in net assets attributable to shareholders

for the year to 31 October	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		219,101		372,336
Amounts received on issue of shares	19,734		2,600	
Amounts paid on cancellation of shares	(48,189)		(132,871)	
		(28,455)		(130,271)
Dilution adjustments		73		142
Change in net assets attributable to shareholders from investment activities (see above)		6,893		(27,476)
Retained distributions on Accumulation shares		5,278		4,370
Closing net assets attributable to shareholders		202,890		219,101

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Balance sheet

as at 31 October	Note	2023 £'000	2022 £'000
Assets			
Fixed assets			
Investments		178,994	197,157
Current assets			
Debtors	9	1,128	2,645
Cash and bank balances	10	12,205	15,529
Cash equivalents		16,962	10,875
Total assets		209,289	226,206
Liabilities			
Investment liabilities		(2,808)	(2,856)
Creditors			
Bank overdrafts		(2,129)	0
Distribution payable		(614)	(283)
Other creditors	11	(836)	(3,943)
Deferred tax provision	7	(12)	(23)
Total liabilities		(6,399)	(7,105)
Net assets attributable to shareholders		202,890	219,101

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2023 £'000	2022 £'000
Non-derivative securities	2,224	7,278
Derivative contracts	4,699	(36,279)
Currency gains/(losses)	155	1,673
Management charge rebates taken to capital	98	223
Rebate of ongoing charges from underlying funds taken to capital	130	107
Net capital gains/(losses)	7,306	(26,998)

Includes realised gains of £99,000 and unrealised gains of £6,979,000 (2022: realised losses of £24,561,000 and unrealised losses of £2,767,000). Certain realised gains and losses in the current year were unrealised in the prior year.

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4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments. Please refer to the 'Financial highlights' section for the effect of dilution adjustments.

for the year to 31 October	2023 £'000	% of transaction	2022 £'000	% of transaction
a) Purchases				
Debt securities	122,582		244,105	
Collective investment schemes				
Collective investment schemes before transaction costs	57,296		99,553	
Commissions	3	0.01	1	0.00
Collective investment schemes after transaction costs	57,299		99,554	
Total purchases after transaction costs	179,881		343,659	
b) Sales				
Equities				
Equities before transaction costs	11,726		7,466	
Commissions	(3)	0.03	(1)	0.01
Equities after transaction costs	11,723		7,465	
Debt securities				
Collective investment schemes				
Collective investment schemes before transaction costs	60,364		61,646	
Commissions	(5)	0.01	(9)	0.01
Collective investment schemes after transaction costs	60,359		61,637	
Total sales after transaction costs	186,561		496,189	
	2023 £'000	% of average NAV	2022 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	3	0.00	1	0.00
Collective investment schemes	8	0.01	10	0.00
Derivatives	4	0.00	8	0.00
Total commissions paid	15	0.01	19	0.00
Taxes paid				
Derivatives	6	0.00	13	0.01
Total direct portfolio transaction costs	21	0.01	32	0.01

Financial statements and notes

	%	%
d) Indirect portfolio transaction costs		
Average portfolio dealing spread as at the balance sheet date	0.10	0.45

5 Revenue

for the year to 31 October	2023 £'000	2022 £'000
Bank interest	57	24
Derivative revenue	88	181
Distributions from collective investment schemes: non-taxable	2,144	1,559
Distributions from collective investment schemes: taxable	1,725	1,643
Distributions from collective investment schemes: property income dividends	343	697
Dividends from equity investments: non-taxable	96	429
Dividends from equity investments: taxable	0	4
Interest distributions	546	105
Interest on debt securities	4,109	3,784
Management charge rebates	92	108
Rebate of ongoing charges from underlying funds	120	148
Total revenue	9,320	8,682

6 Expenses

for the year to 31 October	2023 £'000	2022 £'000
Payable to the ACD or associate		
Annual charge	1,667	2,224
Total expenses	1,667	2,224

Audit fees for the financial year ending 2023 were £12,000 (2022: £12,000) (including VAT), which are covered by the annual charge.

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7 Taxation

for the year to 31 October	2023 £'000	2022 £'000
a) Analysis of charge in the year		
Corporation tax	1,138	960
Withholding tax	15	50
Deferred tax (note 7c)	(11)	(5)
Total taxation	1,142	1,005
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	7,651	6,437
Corporation tax at 20%	1,530	1,287
Effects of:		
Tax on management charge rebates taken to capital	45	66
Dividends from equity investments: non-taxable	(448)	(398)
Withholding tax	15	50
Total tax charge (note 7a)	1,142	1,005
c) Provision for deferred taxation		
Provision at the start of the year	23	28
Deferred tax in profit and loss account (note 7a)	(11)	(5)
Provision at the end of the year	12	23

The fund has not recognised a deferred tax asset in the current financial year (2022: same).

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8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 October	2023		2022	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Dividend distributions				
First interim	342	1,147	279	1,024
Second interim	257	803	265	983
Third interim	339	1,126	361	1,493
Final	614	2,202	283	870
Total net distributions		6,830		5,558
Income deducted on cancellation of shares		175		386
Income received on issue of shares		(83)		(34)
Distributions		6,922		5,910
Net revenue/(expense) per statement of total return		6,509		5,432
Expenses offset against capital		376		422
Sharing of relief between classes		37		56
Distributions		6,922		5,910

9 Debtors

as at 31 October	2023 £'000	2022 £'000
Amounts receivable on issues of shares	293	0
Currency deals outstanding	0	1,188
Debt security interest receivable	684	637
Derivative revenue receivable	0	11
Distributions receivable	101	134
Dividends receivable	41	65
Rebate of ongoing charges from underlying funds	9	10
Sales awaiting settlement	0	600
Total debtors	1,128	2,645

10 Cash and bank balances

as at 31 October	2023 £'000	2022 £'000
Amounts held at futures clearing houses and collateral manager	10,533	7,809
Cash held as bank balances	1,672	7,720
Total cash and bank balances	12,205	15,529

Financial statements and notes

11 Other creditors

as at 31 October	2023 £'000	2022 £'000
Amounts payable on cancellation of shares	145	2,151
Annual charge payable	70	65
Corporation tax payable	621	540
Currency deals outstanding	0	1,187
Total other creditors	836	3,943

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2022: same).

13 Shares in issue

The following table shows each class of share in issue during the year. Each share class has the same rights on winding up however they may have different charging structures as set out in note 14.

Share class	Opening 01.11.22	Issued	Movements Cancelled	Converted	Closing 31.10.23
Sterling					
Class 'A' Income	18,719,792	1,621,051	(1,913,903)	0	18,426,940
Class 'A' Accumulation	16,915,432	1,298,740	(1,527,454)	0	16,686,718
Class 'I' Income	1,217,297	40,626	(234,035)	0	1,023,888
Class 'I' Accumulation	8,392,694	745,061	(1,678,283)	0	7,459,472
Class 'PP' Income	89,089	31,376	(29,000)	0	91,465
Class 'PP' Accumulation	13,102,018	1,327,683	(10,070,062)	0	4,359,639
Class 'R' Income	1,473,852	96,237	(91,318)	0	1,478,771
Class 'R' Accumulation	1,823,313	151,263	(184,362)	0	1,790,214

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

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14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.05
Class 'I'	0.65
Class 'PP'	0.55
Class 'R'	0.90

15 Related parties

M&G Securities Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal on all the transactions of shares in the fund except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to shareholders' and note 8. Amounts due to/from M&G Securities Limited in respect of share transactions at the year end are disclosed in notes 9 and 11 where applicable.

Amounts paid to M&G Securities Limited in respect of the annual charge are disclosed in note 6. Amounts due at the year end in respect of the annual charge are disclosed in note 11.

Amounts paid to M&G Securities Limited in respect of rebate arrangements for the annual charge are disclosed in notes 3 and 5. Amounts due at the year end from the ACD, and/or associate, in respect of these rebates are disclosed in note 9.

During the year, there were transactions in shares in related parties of M&G Securities Limited with a total value of £14,448,000 (2022: £38,330,000).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £20,172,000 (2022: £34,141,000).

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 27.60% (2022: 23.60%) of the fund's shares.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

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Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 October	Assets 2023 £'000	Liabilities 2023 £'000	Assets 2022 £'000	Liabilities 2022 £'000
Level 1	140,200	(2,706)	141,260	(2,628)
Level 2	38,794	(102)	55,897	(228)
Level 3	0	0	0	0
	178,994	(2,808)	197,157	(2,856)

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

18 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

The VaR limit set during the financial year to 31 October 2023 was 13% (2022: 13%).

The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2023 and 31 October 2022.

for the year to 31 October	2023 % of VaR	2023 Utilisation of VaR 13%	2022 % of VaR	2022 Utilisation of VaR 13%
Lowest	3.92	30.15	3.20	24.62
Highest	5.74	44.15	5.78	44.46
Average	4.56	35.08	5.05	38.83

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19 Credit risk

The fund is exposed to credit risk through the credit quality of the investments it holds. The table below shows the credit quality of the investments held in the portfolio.

as at 31 October	2023 £'000	2022 £'000
Investment grade securities	55,774	46,187
Below investment grade securities	10,347	13,200
Other investments	110,065	134,914
Total	176,186	194,301

The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(2,582)
Citigroup	131	0
Goldman Sachs	5	0
JPMorgan	6	0
State Street Bank	(92)	0
UBS	146	0
Total	196	(2,582)

as at 31 October 2022	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(2,628)
JPMorgan	305	0
State Street Bank	12	0
UBS	(252)	0
Total	65	(2,628)

20 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

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The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2023 and 31 October 2022 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2023 £'000	2023 %	2022 £'000	2022 %
Lowest	274,675	122.00	219,896	181.00
Highest	673,470	295.00	377,653	396.00
Average	346,528	155.84	303,806	222.44

21 Dividend distribution tables

This fund pays quarterly ordinary distributions and the following table sets out the distribution periods.

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.11.22	31.01.23	01.02.23	31.03.23
Second interim	01.02.23	30.04.23	02.05.23	30.06.23
Third interim	01.05.23	31.07.23	01.08.23	30.09.23
Final	01.08.23	31.10.23	01.11.23	31.12.23

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares.

Group 1 shares are those purchased prior to a distribution period and therefore their income rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
First interim	0.5970	0.5319	1.1289	0.7964
Second interim	0.2676	0.5914	0.8590	0.7895
Third interim	0.3897	0.7604	1.1501	1.1089
Final	1.6058	0.4641	2.0699	0.8984

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Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.0660	1.0535	1.1195	0.5925
Second interim	0.2230	0.5315	0.7545	0.6210
Third interim	0.4834	0.6577	1.1411	1.0756
Final	1.3695	1.1493	2.5188	0.7791

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	2.9885	7.6546	10.6431	7.3843
Second interim	3.0463	5.0073	8.0536	7.3456
Third interim	2.4319	8.4244	10.8563	10.4699
Final	10.1458	9.6455	19.7913	8.3758

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	4.3108	6.3755	10.6863	6.2917
Second interim	3.4232	4.1786	7.6018	6.4592
Third interim	5.9270	5.0467	10.9737	10.3259
Final	12.4073	10.0969	22.5042	7.8186

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.4143	0.3904	0.8047	0.5551
Second interim	0.3042	0.3031	0.6073	0.5528
Third interim	0.4299	0.3902	0.8201	0.7837
Final	0.8385	0.6614	1.4999	0.6320

Financial statements and notes

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.5043	0.2094	0.7137	0.4309
Second interim	0.3738	0.1395	0.5133	0.4388
Third interim	0.4609	0.2731	0.7340	0.6969
Final	0.5998	0.8811	1.4809	0.5277

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.6053	0.4505	1.0558	0.7402
Second interim	0.2038	0.5980	0.8018	0.7347
Third interim	0.6894	0.3867	1.0761	1.0382
Final	1.1009	0.8450	1.9459	0.8349

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.6159	0.3518	0.9677	0.5359
Second interim	0.1999	0.4670	0.6669	0.5564
Third interim	0.4019	0.5874	0.9893	0.9308
Final	1.0532	1.0676	2.1208	0.6871

22 Events after the balance sheet date

There were no events after the balance sheet date to disclose.

Authorised Corporate Director's Report

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

Investment objective

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

Investment policy

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

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

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

Investment approach

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

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

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

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

Benchmark

IA Mixed Investment 40-85% shares sector.

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

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

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

Authorised Corporate Director's Report

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 14.

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



The above number:

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

Investment review

For the year ended 31 October 2023

Performance against objective

Over the review period, the M&G Episode Growth Fund produced a positive total return (the combination of income and growth of capital) across all its share classes. Returns for all classes also surpassed the benchmark IA Mixed Investment 40-85% Shares Sector gain of 2.0%.

Over five years, the fund produced a positive return, in line with the benchmark*, which delivered an annualised return of 4.7%. Depending on the share class held, the fund either met or did not meet its objective of providing a higher total return, net of the ongoing charge figure, than the average return of the IA Mixed Investment 40-85% Shares Sector over any five-year period.

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

* The benchmark prior to 10 December 2019 was a composite index comprising 2/3 MSCI ACWI Index and 1/3 Bloomberg Barclays Global Aggregate Index. From 10 December 2019 to 1 February 2021 the Bloomberg Barclays Global Aggregate Index was changed to the GBP Hedged version. Thereafter, the benchmark is the average return of IA Mixed Investment 40-85% Shares sector.

Performance review

The 12 month period under review was a volatile but ultimately positive period for most equity and bond markets, with the notable exception of developed market government bonds. The period was made up of two distinct phases as investor sentiment switched from being positive to sharply negative in August 2023.

Initially, investors were encouraged by signs that inflation was moderating, raising hopes that major central banks would slow the pace of interest rate hikes and risk assets rallied. The reopening of the Chinese economy also fuelled optimism in equity markets, especially in Asia. There were, however, some worrying signs, such as the strong US labour market and high core inflation (without the more volatile components such as energy and food prices), which led to concern that central banks might raise interest rates higher and hold them at elevated levels for a longer period.

These concerns were crystallised later in the period when, despite falling inflation, central banks retained their hawkish stance, warning that interest rates would have to stay higher for longer. This weighed heavily on developed market government bonds, particularly those with longer maturities, since they are more sensitive to interest rate increases. Bond yields, which move in the opposite direction to prices, rose to multi-year highs. The rise in yields in bond markets led to falls in the prices of other assets and most stockmarkets declined sharply in the later part of the review period.

Despite the late weakness, most equity markets still rose over the period, led by Italy, the technology-dominated Nasdaq in the US, Hong Kong and other European markets. Not all markets participated in the rally, however, with the UK's mid-cap index falling and

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China lagging. In terms of sectors, the communications services and technology sectors led the way, driven in large part by strength in the 'megacap' stocks in the US, such as Amazon, Apple and Microsoft. On the other hand, real estate and healthcare stocks declined.

Falls in government bond markets were led by UK gilts, although German bunds and US Treasuries also declined, while emerging markets bonds rallied strongly. Corporate bonds also performed well, with high yield bonds outperforming investment grade.

Currency markets also exhibited distinct periods of performance, with the US dollar initially weakening against most major currencies before rallying strongly as it became clear US interest rates would stay elevated. Over the period as a whole, the euro strengthened relative to the US dollar, with sterling not far behind, although the yen was weak against most other currencies.

Against this backdrop, the fund delivered a positive return in the review period, and outperformed its benchmark. Equities were overwhelmingly the biggest driver of gains, aided by our exposure to Asian shares, mainly due to the rebound in China in the early part of the period after the lifting of COVID-related restrictions. Global equities and exposure to the FTSE 100 also added good value, with Europe and Japan generating more modest positive contributions. However, our exposure to emerging markets made a negative contribution. Our currency positioning was also helpful, with the fund benefiting from movements in the US dollar relative to sterling and weakness in the yen. A holding of government bonds from South Africa also made a modest positive contribution.

The largest detractor was our exposure to long-dated US government bonds, which were weighed down by the 'higher for longer' rhetoric from the Federal Reserve.

Investment activities

In the early part of the review period, we adopted a more cautious stance, with a reduction in equity holdings and an increase in cash. Later, in response to

sharply higher yields, the cash was used to increase positions in the government bond market.

Much of the early activity took place in February 2023, including the diversifying of equity investments with a preference for a diversified non-US exposure over the US. We cut exposure to world stocks (held via the MSCI World ETF, a passively managed fund that tracks a world index that holds a high proportion of US stocks), while increasing exposure to Japanese and developed European ex-UK shares. We also closed our exposure to Chinese shares, which had performed well after China abandoned its zero-COVID policies, and initiated a new position in emerging-market Asian equities.

Around the same time, we opened a tactical position in two-year US Treasuries while further trimming global equities. This was in response to the relative price action since the beginning of 2023. The government bond position was closed the following month after a strong rally during the crisis in the banking sector.

We introduced a currency carry trade, increasing exposure to higher-yielding emerging market currencies (Hungary, Brazil and Mexico), while taking short positions in the Japanese yen, Swiss franc and Taiwanese dollar.

In June, we responded to rapid price movements in South African bonds and the currency, which we felt appeared to be driven by investor panic, by opening a new position in local currency-denominated South African bonds. The bonds offered what we thought was an attractive yield. The position was funded from our holding of cash.

Later in the review period, the cash holding was further reduced when we took advantage of the drop in the prices of 30-year US Treasury bonds to increase our exposure. This was in response to what we considered to be 'episodic' moves (driven more by investors' emotions rather than economic fundamentals) in the US bond market. At the end of the period, when yields had climbed further, we added to our long-dated US government bonds and started new positions in 30-year UK and German sovereign bonds. In our opinion, the bonds offered attractive levels of yield and were

Authorised Corporate Director's Report

more likely to provide useful diversification if economic conditions deteriorated.

Outlook

It is notable how much market beliefs have changed over the past 12 months. As we entered the review period, there was almost complete confidence that a recession was inevitable, while today there seems to be equal confidence that growth will prove resilient. In our view, there seems little expectation that earnings could come under pressure from the deterioration in the financial positions of both consumers and companies. This possible complacency makes us somewhat cautious. Although valuations are undoubtedly more attractive, we think the possibility of rising short term interest rates could leave equities vulnerable.

For this reason, the fund continues to be positioned relatively cautiously, with a below-neutral position in equities. We have, however, boosted our allocation to fixed income, believing that the price weakness offered a good entry point for US Treasuries, gilts and bonds, as yield moves appear at odds with economic data. In particular, the longer end of the yield curve appears more attractive after a meaningful steepening over the last four months.

Craig Simpson & Tony Finding

Co-fund managers

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

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

Portfolio statement

Investments

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities	516,643	67.05	72.06
Equity portfolios	516,643	67.05	72.16
United Kingdom	14,000	1.82	1.99
4,811,954 M&G Smaller Companies Fund Sterling Class 'A' Income ^a	14,000	1.82	
China	0	0.00	2.36
Asia Pacific	25,944	3.37	3.12
1,850,016 M&G Asian Fund Sterling Class 'A' Income ^a	25,944	3.37	
Other	476,699	61.86	64.69
166,564 Amundi Euro Stoxx 50 ETF	14,647	1.90	
2,966,910 Amundi MSCI Japan ETF	36,101	4.68	
1,083,845 iShares Core FTSE 100 ETF	7,798	1.01	
2,381,099 iShares Core MSCI World ETF	154,569	20.06	
312,254 iShares MSCI EM Asia ETF	36,902	4.79	
12,489,870 Lyxor FTSE 100 ETF	152,801	19.83	
2,505,293 Vanguard FTSE Developed Europe Index ETF	73,881	9.59	
Equity derivatives	0	0.00	(0.10)
Equity index futures	0	0.00	(0.10)
Fixed income	234,046	30.37	21.61
Fixed income portfolios	72,737	9.44	8.18
Other	72,737	9.44	8.18
623,014 iShares Core GBP Corporate Bond ETF	72,737	9.44	
Government bonds	170,235	22.09	14.20
United Kingdom	96,508	12.52	2.59
£38,700,000 UK Treasury 0% 06/11/2023	38,665	5.02	
£38,959,000 UK Treasury 0% 26/02/2024	38,300	4.97	
£23,980,000 UK Treasury 3.75% 22/10/2053	19,543	2.53	
United States	31,940	4.15	11.61
US\$39,475,000 US Treasury 0% 08/02/2024	31,940	4.15	
South Africa	41,787	5.42	0.00
ZAR585,000,000 South Africa (Republic of) 8.25% 31/03/2032	21,081	2.73	
ZAR594,000,000 South Africa (Republic of) 8.875% 28/02/2035	20,706	2.69	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
Debt derivatives	(8,926)	(1.16)	(0.77)
Interest rate futures	(8,926)	(1.16)	(0.77)
192 Euro-Buxl 30 Years Bond Dec 2023	486	0.06	
1,038 US Ultra Bond Dec 2023	(9,412)	(1.22)	
Currency	497	0.06	(0.04)
Forward currency contracts	497	0.06	(0.04)
US\$25,526,719 Bought for HKD199,325,640 (expires 31.01.24)	8	0.00	
€8,233,600 Bought for £7,198,925 (expires 31.01.24)	32	0.00	
HUF7,700,000,000 Bought for £17,286,841 (expires 31.01.24)	116	0.01	
MXN390,000,000 Bought for £17,475,506 (expires 31.01.24)	72	0.01	
US\$78,197,895 Bought for £64,499,334 (expires 31.01.24)	(332)	(0.04)	
AU\$(16,482,840) Sold for £8,655,727 (expires 31.01.24)	23	0.00	
CHF(18,650,000) Sold for £17,267,841 (expires 31.01.24)	140	0.02	
¥(3,370,802,741) Sold for £18,802,559 (expires 31.01.24)	176	0.02	
US\$18,979,738 Bought for TWD607,000,000 (expires 31.01.24)	45	0.01	
BRL107,000,000 Bought for \$20,831,305 (expires 24.01.24)	217	0.03	
Total portfolio	751,186	97.48	93.63
Net other assets/(liabilities)	19,395	2.52	6.37
Net assets attributable to shareholders	770,581	100.00	100.00

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

^a Related party.

Portfolio statement

Top ten portfolio transactions for the year to 31 October 2023

Largest purchases	£'000
US Treasury 0% 17/08/2023	48,260
US Treasury 0% 08/02/2024	46,591
US Treasury 0% 06/07/2023	44,363
iShares MSCI EM Asia ETF	41,945
US Treasury 4.125% 31/01/2025	41,512
UK Treasury 0% 26/02/2024	37,910
UK Treasury 0% 06/11/2023	37,852
UK Treasury 0% 04/09/2024	37,393
South Africa (Republic of) 8.25% 31/03/2032	20,406
South Africa (Republic of) 8.875% 28/02/2035	20,322
Other purchases	74,269
Total purchases	450,823

Largest sales	£'000
iShares Core MSCI World ETF	105,443
US Treasury 0% 23/02/2023	48,249
US Treasury 0% 17/08/2023	46,439
US Treasury 0% 06/07/2023	43,506
US Treasury 4.125% 31/01/2025	41,990
UK Treasury 0% 04/09/2023	38,103
US Treasury 0% 18/05/2023	37,732
HSBC MSCI China ETF	25,729
UK Treasury 0% 09/01/2023	19,994
US Treasury 0% 08/02/2024	16,919
Other sales	18,988
Total sales	443,092

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+6.1	+6.0	+4.7	+4.4
Class 'A' Accumulation	+6.1	+6.0	+4.7	+4.4
Class 'C' Income	+7.0	+6.8	+5.7	+5.6
Class 'I' Income	+6.4	+6.3	+5.1	+5.0
Class 'I' Accumulation	+6.4	+6.3	+5.1	+5.0
Class 'PP' Income	+6.4	+6.4	n/a	n/a
Class 'PP' Accumulation	+6.4	+6.4	n/a	n/a
Class 'R' Income	+6.3	+6.1	+4.9	+4.8
Class 'R' Accumulation	+6.3	+6.1	+4.9	+4.8
Benchmark^b	+2.0	+2.7	+4.7	+7.1

^a Not annualised.

^b The benchmark prior to 10 December 2019 was a composite index comprising 2/3 MSCI ACWI Index and 1/3 Bloomberg Barclays Global Aggregate Index. From 10 December 2019 to 2 February 2021 the Bloomberg Barclays Global Aggregate Index was changed to the GBP Hedged version. Thereafter it is the IA Mixed Investment 40-85% Shares sector.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 1 October 2002.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	60.11	65.54	55.17
Return before operating charges	4.41	(3.68)	11.81
Operating charges	(0.67)	(0.66)	(0.72)
Return after operating charges	3.74	(4.34)	11.09
Distributions	(2.07)	(1.09)	(0.72)
Closing NAV	61.78	60.11	65.54
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.02	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.03	0.02
Operating charges	1.05	1.05	1.15
Return after charges	+6.22	-6.62	+20.10
Other information			
Closing NAV (£'000)	546,487	579,148	231,814
Number of shares	884,635,517	963,395,031	353,692,321
Highest share price (UK p)	66.05	67.53	66.74
Lowest share price (UK p)	60.40	59.06	55.67

Sterling Class 'A' Accumulation share performance

The share class was launched on 1 October 2002.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.11	99.76	83.04
Return before operating charges	6.74	(5.63)	17.79
Operating charges	(1.05)	(1.02)	(1.07)
Return after operating charges	5.69	(6.65)	16.72
Distributions	(2.22)	(0.40)	(0.01)
Retained distributions	2.22	0.40	0.01
Closing NAV	98.80	93.11	99.76
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.03	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.03	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.03	0.02
Operating charges	1.05	1.05	1.14
Return after charges	+6.11	-6.67	+20.13
Other information			
Closing NAV (£'000)	45,292	40,558	72,710
Number of shares	45,840,771	43,560,359	72,887,326
Highest share price (UK p)	102.87	102.42	100.95
Lowest share price (UK p)	93.53	90.94	83.80

Financial highlights

Sterling Class 'C' Income share performance

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

The share class was launched on 16 June 2011.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	70.19	75.75	63.05
Return before operating charges	4.89	(4.36)	13.48
Operating charges	0.00	0.00	0.00
Return after operating charges	4.89	(4.36)	13.48
Distributions	(2.22)	(1.20)	(0.78)
Closing NAV	72.86	70.19	75.75
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.02	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.03	0.02
Operating charges	0.00	0.00	0.00
Return after charges	+6.97	-5.76	+21.38
Other information			
Closing NAV (£'000)	15,145	13,388	14,839
Number of shares	20,786,341	19,073,434	19,589,991
Highest share price (UK p)	77.36	78.07	77.02
Lowest share price (UK p)	70.53	68.92	63.63

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	1,517.70	1,648.13	1,381.33
Return before operating charges	108.63	(92.59)	296.16
Operating charges	(10.48)	(10.41)	(11.32)
Return after operating charges	98.15	(103.00)	284.84
Distributions	(50.42)	(27.43)	(18.04)
Closing NAV	1,565.43	1,517.70	1,648.13
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.17	0.48	0.24
Dilution adjustments	(0.04)	(0.04)	(0.03)
Total direct transaction costs	0.13	0.44	0.21
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.03	0.02
Operating charges	0.65	0.65	0.72
Return after charges	+6.47	-6.25	+20.62
Other information			
Closing NAV (£'000)	47,063	33,874	39,223
Number of shares	3,006,411	2,231,915	2,379,868
Highest share price (UK p)	1,669.65	1,698.30	1,677.35
Lowest share price (UK p)	1,524.85	1,490.84	1,394.09

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	1,874.30	2,000.19	1,657.94
Return before operating charges	132.52	(113.18)	355.84
Operating charges	(13.07)	(12.71)	(13.59)
Return after operating charges	119.45	(125.89)	342.25
Distributions	(49.99)	(20.83)	(8.17)
Retained distributions	49.99	20.83	8.17
Closing NAV	1,993.75	1,874.30	2,000.19
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.21	0.58	0.29
Dilution adjustments	(0.05)	(0.05)	(0.04)
Total direct transaction costs	0.16	0.53	0.25
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.03	0.02
Operating charges	0.65	0.65	0.72
Return after charges	+6.37	-6.29	+20.64
Other information			
Closing NAV (£'000)	62,160	47,907	48,497
Number of shares	3,117,716	2,555,995	2,424,609
Highest share price (UK p)	2,076.10	2,053.92	2,022.93
Lowest share price (UK p)	1,882.99	1,830.32	1,673.55

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	110.26	119.61	100.11
Return before operating charges	7.81	(6.75)	21.46
Operating charges	(0.65)	(0.63)	(0.65)
Return after operating charges	7.16	(7.38)	20.81
Distributions	(3.58)	(1.97)	(1.31)
Closing NAV	113.84	110.26	119.61
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.03	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.03	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.03	0.02
Operating charges	0.55	0.55	0.58
Return after charges	+6.49	-6.17	+20.79
Other information			
Closing NAV (£'000)	845	849	48
Number of shares	741,908	769,696	39,696
Highest share price (UK p)	121.33	123.25	121.71
Lowest share price (UK p)	110.78	108.30	101.04

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	113.70	121.23	100.34
Return before operating charges	7.97	(6.88)	21.55
Operating charges	(0.67)	(0.65)	(0.66)
Return after operating charges	7.30	(7.53)	20.89
Distributions	(3.09)	(1.37)	(0.66)
Retained distributions	3.09	1.37	0.66
Closing NAV	121.00	113.70	121.23
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.04	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.04	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.03	0.02
Operating charges	0.55	0.55	0.58
Return after charges	+6.42	-6.21	+20.82
Other information			
Closing NAV (£'000)	953	941	460
Number of shares	787,392	827,215	379,740
Highest share price (UK p)	125.98	124.49	122.59
Lowest share price (UK p)	114.24	111.04	101.29

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	148.67	161.85	135.99
Return before operating charges	10.83	(9.08)	29.12
Operating charges	(1.42)	(1.41)	(1.49)
Return after operating charges	9.41	(10.49)	27.63
Distributions	(5.12)	(2.69)	(1.77)
Closing NAV	152.96	148.67	161.85
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.05	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.02	0.05	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.03	0.02
Operating charges	0.90	0.90	0.97
Return after charges	+6.33	-6.48	+20.32
Other information			
Closing NAV (£'000)	8,195	8,145	8,760
Number of shares	5,357,574	5,478,821	5,412,532
Highest share price (UK p)	163.43	166.76	164.78
Lowest share price (UK p)	149.36	146.05	137.24

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	183.78	196.62	163.39
Return before operating charges	13.26	(11.11)	35.03
Operating charges	(1.77)	(1.73)	(1.80)
Return after operating charges	11.49	(12.84)	33.23
Distributions	(4.63)	(1.57)	(0.34)
Retained distributions	4.63	1.57	0.34
Closing NAV	195.27	183.78	196.62
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.06	0.03
Dilution adjustments	(0.01)	0.00	0.00
Total direct transaction costs	0.01	0.06	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.03	0.02
Operating charges	0.90	0.90	0.97
Return after charges	+6.25	-6.53	+20.34
Other information			
Closing NAV (£'000)	44,441	43,952	46,483
Number of shares	22,758,916	23,915,172	23,641,029
Highest share price (UK p)	203.30	201.88	198.93
Lowest share price (UK p)	184.63	179.49	164.89

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Statement of total return

for the year to 31 October	Note	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		29,646		(62,545)
Revenue	5	26,036		14,295	
Expenses	6	(7,831)		(8,154)	
Interest payable and similar charges		(1)		(70)	
Net revenue/(expense) before taxation		18,204		6,071	
Taxation	7	0		(93)	
Net revenue/(expense) after taxation			18,204		5,978
Total return before distributions			47,850		(56,567)
Distributions	8		(24,594)		(12,879)
Change in net assets attributable to shareholders from investment activities			23,256		(69,446)

Statement of change in net assets attributable to shareholders

for the year to 31 October	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		768,762		899,494
Amounts received on issue of shares	79,352		60,834	
Amounts paid on cancellation of shares	(104,526)		(123,256)	
		(25,174)		(62,422)
Dilution adjustments		49		59
Change in net assets attributable to shareholders from investment activities (see above)		23,256		(69,446)
Retained distributions on Accumulation shares		3,682		1,068
Unclaimed distributions		6		9
Closing net assets attributable to shareholders		770,581		768,762

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Balance sheet

as at 31 October	Note	2023 £'000	2022 £'000
Assets			
Fixed assets			
Investments		760,930	726,874
Current assets			
Debtors	9	736	230
Cash and bank balances	10	25,972	57,639
Total assets		787,638	784,743
Liabilities			
Investment liabilities		(9,744)	(7,047)
Creditors			
Distribution payable		(6,298)	(3,735)
Other creditors	11	(1,015)	(5,199)
Total liabilities		(17,057)	(15,981)
Net assets attributable to shareholders		770,581	768,762

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2023 £'000	2022 £'000
Non-derivative securities	17,039	(42,884)
Derivative contracts	11,087	(20,781)
Currency gains/(losses)	616	88
Management charge rebates taken to capital	528	842
Rebate of ongoing charges from underlying funds taken to capital	376	190
Net capital gains/(losses)	29,646	(62,545)

Includes realised gains of £17,460,000 and unrealised gains of £11,282,000 (2022: realised gains of £36,648,000 and unrealised losses of £100,225,000). Certain realised gains and losses in the current year were unrealised in the prior year.

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4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments. Please refer to the 'Financial highlights' section for the effect of dilution adjustments.

for the year to 31 October	2023 £'000	% of transaction	2022 £'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	0		21,273	
Commissions	0	0.00	4	0.02
Equities after transaction costs	0		21,277	
Debt securities	353,818		665,161	
Collective investment schemes				
Collective investment schemes before transaction costs	96,978		539,921	
Commissions	27	0.03	111	0.02
Collective investment schemes after transaction costs	97,005		540,032	
Total purchases after transaction costs	450,823		1,226,470	
b) Sales				
Equities				
Equities before transaction costs	0		19,764	
Commissions	0	0.00	(4)	0.02
Equities after transaction costs	0		19,760	
Debt securities	292,931		892,405	
Collective investment schemes				
Collective investment schemes before transaction costs	150,206		336,343	
Commissions	(45)	0.03	(89)	0.03
Collective investment schemes after transaction costs	150,161		336,254	
Total sales after transaction costs	443,092		1,248,419	

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	2023 £'000	% of average NAV	2022 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	0	0.00	8	0.00
Collective investment schemes	72	0.01	200	0.02
Derivatives	6	0.00	17	0.00
Total commissions paid	78	0.01	225	0.02
Taxes paid				
Derivatives	8	0.00	22	0.01
Total direct portfolio transaction costs	86	0.01	247	0.03
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.07		0.07

5 Revenue

for the year to 31 October	2023 £'000	2022 £'000
Bank interest	159	45
Derivative revenue	90	400
Distributions from collective investment schemes: non-taxable	14,863	9,437
Distributions from collective investment schemes: taxable	2,725	857
Dividends from equity investments: non-taxable	21	538
Interest on debt securities	7,632	2,374
Management charge rebates	0	40
Rebate of ongoing charges from underlying funds	546	604
Total revenue	26,036	14,295

6 Expenses

for the year to 31 October	2023 £'000	2022 £'000
Payable to the ACD or associate		
Annual charge	7,831	8,154
Total expenses	7,831	8,154

Audit fees for the financial year ending 2023 were £12,000 (2022: £12,000) (including VAT), which are covered by the annual charge.

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7 Taxation

for the year to 31 October	2023 £'000	2022 £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	0	93
Deferred tax (note 7c)	0	0
Total taxation	0	93
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	18,204	6,071
Corporation tax at 20%	3,641	1,214
Effects of:		
Tax on management charge rebates taken to capital	181	207
Distributions from collective investment schemes: non-taxable	(2,977)	(1,995)
Current year expenses not utilised	(845)	584
Withholding tax	0	93
Withholding tax expensed	0	(10)
Total tax charge (note 7a)	0	93
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	0	0

The fund has not recognised a deferred tax asset of £5,642,000 (2022: £6,487,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

Financial statements and notes

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 October	2023		2022	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Dividend distributions				
First interim	1,846	95	4,058	382
Second interim	2,420	247	1,323	18
Third interim	10,220	2,152	2,591	185
Final	6,298	1,188	3,735	483
Total net distributions		24,466		12,775
Income deducted on cancellation of shares		505		1,326
Income received on issue of shares		(377)		(1,222)
Distributions		24,594		12,879
Net revenue/(expense) per statement of total return		18,204		5,978
Expenses offset against capital		6,551		6,914
Sharing of relief between classes		(162)		(13)
Undistributed income brought forward		1		1
Undistributed income carried forward		0		(1)
Distributions		24,594		12,879

9 Debtors

as at 31 October	2023 £'000	2022 £'000
Amounts receivable on issues of shares	101	104
Debt security interest receivable	580	0
Derivative revenue receivable	0	58
Management charge rebates due	18	24
Rebate of ongoing charges from underlying funds	37	44
Total debtors	736	230

10 Cash and bank balances

as at 31 October	2023 £'000	2022 £'000
Amounts held at futures clearing houses and collateral manager	16,034	8,628
Cash held as bank balances	9,938	49,011
Total cash and bank balances	25,972	57,639

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11 Other creditors

as at 31 October	2023 £'000	2022 £'000
Amounts payable on cancellation of shares	707	555
Annual charge payable	308	287
Purchases awaiting settlement	0	4,357
Total other creditors	1,015	5,199

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2022: same).

13 Shares in issue

The following table shows each class of share in issue during the year. Each share class has the same rights on winding up however they may have different charging structures as set out in note 14.

Share class	Opening 01.11.22	Issued	Movements Cancelled	Converted	Closing 31.10.23
Sterling					
Class 'A' Income	963,395,031	18,551,053	(97,310,567)	0	884,635,517
Class 'A' Accumulation	43,560,359	30,829,722	(28,549,310)	0	45,840,771
Class 'C' Income	19,073,434	3,477,556	(1,764,649)	0	20,786,341
Class 'I' Income	2,231,915	978,836	(204,340)	0	3,006,411
Class 'I' Accumulation	2,555,995	768,487	(206,766)	0	3,117,716
Class 'PP' Income	769,696	85,000	(112,788)	0	741,908
Class 'PP' Accumulation	827,215	222,000	(261,823)	0	787,392
Class 'R' Income	5,478,821	602,657	(723,904)	0	5,357,574
Class 'R' Accumulation	23,915,172	745,657	(1,901,913)	0	22,758,916

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

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14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.05
Class 'C'	0.00
Class 'I'	0.65
Class 'PP'	0.55
Class 'R'	0.90

15 Related parties

M&G Securities Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal on all the transactions of shares in the fund except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to shareholders' and note 8. Amounts due to/from M&G Securities Limited in respect of share transactions at the year end are disclosed in notes 9 and 11 where applicable.

Amounts paid to M&G Securities Limited in respect of the annual charge are disclosed in note 6. Amounts due at the year end in respect of the annual charge are disclosed in note 11.

Amounts paid to M&G Securities Limited in respect of rebate arrangements for the annual charge are disclosed in notes 3 and 5. Amounts due at the year end from the ACD, and/or associate, in respect of these rebates are disclosed in note 9.

During the year, there were transactions in shares in related parties of M&G Securities Limited with a total value of £nil (2022: £43,460,000).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £39,944,000 (2022: £39,293,000).

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 10.81% (2022: 10.60%) of the fund's shares.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

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Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 October	Assets 2023 £'000	Liabilities 2023 £'000	Assets 2022 £'000	Liabilities 2022 £'000
Basis of valuation				
Level 1	678,370	(9,412)	687,455	(6,630)
Level 2	82,560	(332)	39,419	(417)
Level 3	0	0	0	0
	760,930	(9,744)	726,874	(7,047)

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

18 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

The VaR limit set during the financial year to 31 October 2023 was 20% (2022: 20%).

The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2023 and 31 October 2022.

for the year to 31 October	2023 % of VaR	2023 Utilisation of VaR 20%	2022 % of VaR	2022 Utilisation of VaR 20%
Lowest	5.02	25.10	3.45	17.25
Highest	6.40	32.00	6.82	34.10
Average	5.77	28.85	5.88	29.40

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19 Credit risk

The fund is exposed to credit risk both through the credit quality of the investments it holds and through the derivative positions with counterparties. The table below shows the credit quality of the investments held in the portfolio.

as at 31 October	2023 £'000	2022 £'000
Investment grade securities	128,448	109,130
Below investment grade securities	41,787	0
Other investments	580,951	610,987
Total	751,186	719,827

The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(8,926)
Barclays Bank	72	0
Citigroup	199	0
Goldman Sachs	7	0
JPMorgan	262	0
State Street Bank	172	0
UBS	(215)	0
Total	497	(8,926)

as at 31 October 2022	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(6,630)
JPMorgan	(268)	0
Standard Chartered Bank	(2)	0
State Street Bank	(21)	0
Total	(291)	(6,630)

20 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

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The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2023 and 31 October 2022 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2023 £'000	2023 %	2022 £'000	2022 %
Lowest	993,787	126.00	754,623	122.00
Highest	1,691,798	207.00	930,829	268.00
Average	1,140,377	141.21	825,389	157.99

21 Dividend distribution tables

This fund pays quarterly ordinary distributions and the following table sets out the distribution periods.

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.11.22	31.01.23	01.02.23	31.03.23
Second interim	01.02.23	30.04.23	02.05.23	30.06.23
Third interim	01.05.23	31.07.23	01.08.23	30.09.23
Final	01.08.23	31.10.23	01.11.23	31.12.23

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares.

Group 1 shares are those purchased prior to a distribution period and therefore their income rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
First interim	0.0564	0.1206	0.1770	0.3697
Second interim	0.0670	0.1700	0.2370	0.1221
Third interim	0.1796	0.8416	1.0212	0.2423
Final	0.3160	0.3188	0.6348	0.3539

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Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.0000	0.0173	0.0173	0.0573
Second interim	0.0648	0.0542	0.1190	0.0000
Third interim	0.4544	0.8753	1.3297	0.0537
Final	0.6788	0.0740	0.7528	0.2895

Sterling Class 'C' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.1153	0.0688	0.1841	0.4180
Second interim	0.0437	0.1788	0.2225	0.1286
Third interim	0.4207	0.7202	1.1409	0.2695
Final	0.4083	0.2643	0.6726	0.3795

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	2.4952	1.9752	4.4704	9.2826
Second interim	2.5124	3.4797	5.9921	3.0752
Third interim	4.7229	20.2665	24.9894	6.1147
Final	9.5552	5.4098	14.9650	8.9595

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	1.6566	0.6526	2.3092	8.0353
Second interim	2.0477	2.2206	4.2683	0.7136
Third interim	18.5760	9.2340	27.8100	4.3006
Final	11.6594	3.9388	15.5982	7.7829

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Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.3143	0.0000	0.3143	0.6784
Second interim	0.3729	0.0000	0.3729	0.2232
Third interim	1.8106	0.0000	1.8106	0.4442
Final	1.0848	0.0000	1.0848	0.6271

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.0518	0.1143	0.1661	0.5097
Second interim	0.0099	0.2221	0.2320	0.0713
Third interim	0.5047	1.2175	1.7222	0.2904
Final	0.7199	0.2541	0.9740	0.5021

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.2151	0.2227	0.4378	0.9151
Second interim	0.2116	0.3748	0.5864	0.3018
Third interim	1.3932	1.1344	2.5276	0.5996
Final	1.1521	0.4197	1.5718	0.8779

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.0366	0.0689	0.1055	0.6723
Second interim	0.1066	0.1949	0.3015	0.0000
Third interim	1.5995	1.0864	2.6859	0.2577
Final	1.0540	0.4809	1.5349	0.6421

Financial statements and notes

22 Events after the balance sheet date

There were no events after the balance sheet date to disclose.

Authorised Corporate Director's Report

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

Investment objective

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

Investment policy

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

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

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

Investment approach

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

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

Benchmark

IA Flexible Investment Sector.

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

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

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

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 14.

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the year ended 31 October 2023

Performance against objective

Over the review period, the M&G Managed Growth Fund delivered a positive total return (the combination of capital growth and income) across all share classes, ahead of its target benchmark*, which is the IA Flexible Investment Sector average, which delivered 1.9% over the 12 months.

Over five years, the fund has delivered a positive total return across all share classes and has met its objective of delivering a higher total return, net of the ongoing charge figure, than the IA Flexible Investment Sector average over any five-year period. The benchmark returned 5.5% per annum over five years.

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

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

Performance review

The 12 month period under review was a volatile but ultimately positive period for most equity and bond markets, with the notable exception of developed market government bonds. The period was made up of two distinct phases as investor sentiment switched from being positive to sharply negative in August 2023.

Initially, investors were encouraged by signs that inflation was moderating, raising hopes that major central banks would slow the pace of interest rate hikes and risk assets rallied. The reopening of the Chinese economy also fuelled optimism in equity markets, especially in Asia. There were, however, some worrying signs, such as the strong US labour market and high core inflation (without the more volatile components such as energy and food prices), which led to concern that central banks might raise interest rates higher and hold them at elevated levels for a longer period.

These concerns were crystallised later in the period when, despite falling inflation, central banks retained their hawkish stance, warning that interest rates would have to stay higher for longer. This weighed heavily on developed market government bonds, particularly those with longer maturities, since they are more sensitive to interest rate increases. Bond yields, which move in the opposite direction to prices, rose to multi-year highs. The rise in yields in bond markets led to falls in the prices of other assets and most stockmarkets declined sharply in the later part of the review period.

Despite the late weakness, most equity markets still rose over the period, led by Italy, the technology-dominated Nasdaq in the US, Hong Kong and other European markets. Not all markets participated in the rally, however, with the UK's mid-cap index falling and China lagging. In terms of sectors, the communications services and technology sectors led the way, driven in large part by strength in the 'megacap' stocks in the US, such as Amazon, Apple and Microsoft. On the other hand, real estate and healthcare stocks declined.

Falls in government bond markets were led by UK gilts, although German bunds and US Treasuries also declined, while emerging markets bonds rallied strongly. Corporate bonds also performed well, with high yield bonds outperforming investment grade.

Currency markets also exhibited distinct periods of performance, with the US dollar initially weakening against most major currencies before rallying strongly as it became clear US interest rates would stay elevated. Over the period as a whole, the euro strengthened relative to the US dollar, with sterling not far behind, although the yen was weak against most other currencies.

Against this backdrop, the fund delivered a positive return over the period, outperforming its benchmark.

The fund is invested in other funds – typically those managed by M&G – providing exposure primarily to equities, and it was exposure to equity markets that drove the fund's positive return. The largest positive contribution came from M&G Japan Fund, helped by the country's improving corporate governance, stronger

Authorised Corporate Director's Report

profitability, attractive valuations and supportive monetary policy, along with successful stock selection within the fund. Stock selection was also the driving force behind the strong performance of two funds that invest in companies that contribute towards climate change goals, the M&G (Lux) Pan European Sustain Paris Aligned and the M&G Global Sustain Paris Aligned Fund. Other significant positive contributions were generated by the M&G Global Emerging Markets Fund, the M&G Asian Fund and the M&G (Lux) European Strategic Value Fund.

A fund that invests in US financial stocks was the largest detractor, adversely affected by the weakness of the US dollar. The other notable laggard was a fund that invests in long-dated US Treasuries, where the likelihood of US interest rates staying high weighed on returns. The M&G North American Dividend Fund was a more modest detractor.

Investment activities

In response to what the managers believed were 'episodic' moves in the US bond market, driven more by investor panic rather than a change in the economic fundamentals, exposure to long-dated US government bonds was increased and equity exposure trimmed slightly. A new position in a fund investing in long-dated US Treasuries was introduced, while the holding of a fund investing in US financial stocks was trimmed. Small positions in the M&G Positive Impact Fund and the M&G (Lux) Sustainable Allocation Fund were closed.

While the majority of the fund remains invested in equities, which will most likely be the primary driver of returns, there is now greater exposure to longer-dated US government bonds, both through the fund mentioned above and through multi asset sub-funds. In the opinion of the managers, the valuations of these bonds now look reasonable and the higher yields available may offer some protection in the event of negative economic news.

Outlook

It is notable how much market beliefs have changed over the past 12 months. As we entered the review period, there was almost complete confidence that a

recession was inevitable, while today there seems to be equal confidence that growth will prove resilient. In our view, there seems little expectation that earnings could come under pressure from the deterioration in the financial positions of both consumers and companies. This possible complacency makes us somewhat cautious. Although valuations are undoubtedly more attractive, we think the possibility of rising short term interest rates could leave equities somewhat vulnerable.

For this reason, we have trimmed the fund's exposure to equities slightly while boosting the holdings of fixed income, believing that the price weakness offered a good entry point for US Treasuries.

Craig Simpson

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities	764,853	91.67	98.41
Equity portfolios	764,853	91.67	98.41
United Kingdom	54,144	6.49	7.56
28,231,285 M&G Recovery Fund Sterling Class 'C' Income ^a	30,978	3.71	
904,440 M&G UK Sustain Paris Aligned Fund Sterling Class 'A' Income ^a	23,166	2.78	
United States	171,079	20.51	25.45
330,310 Invesco Financials S&P US Select Sector ETF	66,233	7.94	
1,135,365 M&G North American Dividend Fund Sterling Class 'A' Income ^a	33,766	4.05	
43,919,940 M&G North American Value Fund Sterling Class 'A' Income ^a	71,080	8.52	
Japan	76,296	9.14	8.65
115,845,417 M&G Japan Fund Sterling Class 'A' Income ^a	76,296	9.14	
Asia Pacific	47,732	5.72	5.40
3,403,675 M&G Asian Fund Sterling Class 'A' Income ^a	47,732	5.72	
Other	415,602	49.81	51.35
7,114,818 M&G (Lux) Episode Macro Fund Sterling Class 'SI-H' Accumulation ^a	85,315	10.23	
2,931,874 M&G (Lux) European Strategic Value Fund Euro Class 'C' Accumulation ^a	33,637	4.03	
1,861,939 M&G (Lux) Global Target Return Fund Euro Class 'CI' Accumulation ^a	18,443	2.21	
3,335,536 M&G (Lux) Pan European Sustain Paris Aligned Fund Euro Class 'A' Accumulation ^a	77,332	9.27	
22,271,610 M&G Global Emerging Markets Fund Sterling Class 'A' Income ^a	59,251	7.10	
11,677,691 M&G Global Strategic Value Fund Sterling Class 'I' Accumulation ^a	28,382	3.40	
13,269,085 M&G Global Sustain Paris Aligned Fund Sterling Class 'A' Income ^a	79,861	9.57	
2,785,868 M&G Global Themes Fund Sterling Class 'A' Income ^a	33,381	4.00	
Fixed income	67,480	8.09	0.00
Fixed income portfolios	67,480	8.09	0.00
Other	67,480	8.09	0.00
22,971,885 iShares \$ Treasury Bond 20+yr ETF	67,480	8.09	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Currency	435	0.05	0.08
Forward currency contracts	435	0.05	0.08
HK\$112,459,606 Bought for £11,877,036 (expires 31.01.24)	(63)	(0.01)	
AU\$(12,014,327) Sold for £6,309,151 (expires 31.01.24)	16	0.00	
CHF(11,308,120) Sold for £10,470,070 (expires 31.01.24)	85	0.01	
DKK(183,505,867) Sold for £21,524,700 (expires 31.01.24)	(84)	(0.01)	
€(50,744,664) Sold for £44,367,836 (expires 31.01.24)	(197)	(0.02)	
¥(6,744,403,470) Sold for £37,620,725 (expires 31.01.24)	353	0.04	
US\$(76,645,728) Sold for £63,219,072 (expires 31.01.24)	325	0.04	
Total portfolio	832,768	99.81	98.49
Net other assets/(liabilities)	1,581	0.19	1.51
Net assets attributable to shareholders	834,349	100.00	100.00

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

^a Related party.

Portfolio statement

Top portfolio transactions for the year to 31 October 2023

Purchases	£'000
iShares \$ Treasury Bond 20+yr ETF	73,387
Total purchases	73,387

Sales	£'000
Invesco Financials S&P US Select Sector ETF	26,572
M&G Global Sustain Paris Aligned Fund Sterling Class 'A' Income ^a	18,068
M&G (Lux) Sustainable Allocation Fund Euro Class 'CI' Accumulation ^a	8,554
M&G Positive Impact Fund Sterling Class 'I' Accumulation ^a	8,284
M&G (Lux) European Strategic Value Fund Euro Class 'C' Accumulation ^a	4,194
M&G Japan Fund Sterling Class 'A' Income ^a	3,511
M&G (Lux) Pan European Sustain Paris Aligned Fund Euro Class 'A' Accumulation ^a	3,466
Total sales	72,649

^a Related party.

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+6.2	+10.9	+5.9	+6.6
Class 'A' Accumulation	+6.4	+10.9	+6.0	+6.7
Class 'C' Income	+7.3	+11.8	+6.9	+7.7
Class 'I' Income	+6.3	+11.2	+6.3	+7.1
Class 'I' Accumulation	+6.3	+11.2	+6.3	+7.1
Class 'PP' Income	+6.4	+11.3	n/a	n/a
Class 'PP' Accumulation	+6.4	+11.3	n/a	n/a
Class 'R' Income	+6.1	+11.0	+6.0	+6.9
Class 'R' Accumulation	+6.1	+11.0	+6.0	+6.9
Benchmark^b	+1.9	+3.7	+5.5	+8.7

^a Not annualised.

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

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 1 October 2002.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	120.84	127.72	97.96
Return before operating charges	8.87	(2.73)	33.36
Operating charges	(1.36)	(1.31)	(1.38)
Return after operating charges	7.51	(4.04)	31.98
Distributions	(3.01)	(2.84)	(2.22)
Closing NAV	125.34	120.84	127.72
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	1.05	1.06	1.15
Return after charges	+6.21	-3.16	+32.65
Other information			
Closing NAV (£'000)	419,805	444,289	87,680
Number of shares	334,932,501	367,651,936	68,648,307
Highest share price (UK p)	134.80	131.46	130.30
Lowest share price (UK p)	121.94	118.53	99.37

Sterling Class 'A' Accumulation share performance

The share class was launched on 1 October 2002.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	149.58	154.32	116.31
Return before operating charges	11.18	(3.13)	39.65
Operating charges	(1.69)	(1.61)	(1.64)
Return after operating charges	9.49	(4.74)	38.01
Distributions	(2.57)	(2.08)	(1.00)
Retained distributions	2.57	2.08	1.00
Closing NAV	159.07	149.58	154.32
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	1.05	1.06	1.15
Return after charges	+6.34	-3.07	+32.68
Other information			
Closing NAV (£'000)	50,604	45,316	52,653
Number of shares	31,811,609	30,295,815	34,119,927
Highest share price (UK p)	168.24	159.11	155.65
Lowest share price (UK p)	150.93	144.20	118.12

Financial highlights

Sterling Class 'C' Income share performance

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

The share class was launched on 21 June 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	130.19	136.38	103.58
Return before operating charges	8.65	(3.27)	35.35
Operating charges	0.00	0.00	0.00
Return after operating charges	8.65	(3.27)	35.35
Distributions	(2.74)	(2.92)	(2.55)
Closing NAV	136.10	130.19	136.38
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.00	0.01	0.00
Return after charges	+6.64	-2.40	+34.13
Other information			
Closing NAV (£'000)	151,922	150,362	167,349
Number of shares	111,625,287	115,495,717	122,710,435
Highest share price (UK p)	146.17	140.37	139.02
Lowest share price (UK p)	131.39	127.54	104.79

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	1,775.25	1,869.48	1,427.95
Return before operating charges	123.47	(42.20)	486.64
Operating charges	(12.39)	(12.04)	(12.64)
Return after operating charges	111.08	(54.24)	474.00
Distributions	(40.62)	(39.99)	(32.47)
Closing NAV	1,845.71	1,775.25	1,869.48
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.07	0.01	0.15
Dilution adjustments	0.00	(0.01)	(0.01)
Total direct transaction costs	0.07	0.00	0.14
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.65	0.66	0.72
Return after charges	+6.26	-2.90	+33.19
Other information			
Closing NAV (£'000)	61,495	45,860	50,931
Number of shares	3,331,758	2,583,286	2,724,349
Highest share price (UK p)	1,983.80	1,923.52	1,905.59
Lowest share price (UK p)	1,791.63	1,740.23	1,446.94

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	2,102.61	2,165.82	1,626.06
Return before operating charges	145.93	(49.23)	554.18
Operating charges	(14.72)	(13.98)	(14.42)
Return after operating charges	131.21	(63.21)	539.76
Distributions	(36.47)	(34.39)	(24.15)
Retained distributions	36.47	34.39	24.15
Closing NAV	2,233.82	2,102.61	2,165.82
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.08	0.01	0.17
Dilution adjustments	(0.01)	(0.01)	(0.01)
Total direct transaction costs	0.07	0.00	0.16
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.65	0.66	0.72
Return after charges	+6.24	-2.92	+33.19
Other information			
Closing NAV (£'000)	89,637	73,813	74,910
Number of shares	4,012,727	3,510,550	3,458,727
Highest share price (UK p)	2,362.83	2,228.32	2,179.62
Lowest share price (UK p)	2,121.68	2,021.42	1,646.80

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	113.27	119.18	90.95
Return before operating charges	7.96	(2.74)	30.93
Operating charges	(0.67)	(0.64)	(0.65)
Return after operating charges	7.29	(3.38)	30.28
Distributions	(2.69)	(2.53)	(2.05)
Closing NAV	117.87	113.27	119.18
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.55	0.56	0.58
Return after charges	+6.44	-2.84	+33.29
Other information			
Closing NAV (£'000)	1,407	1,004	79
Number of shares	1,193,784	886,424	66,000
Highest share price (UK p)	126.67	122.65	121.49
Lowest share price (UK p)	114.31	111.02	92.13

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	122.64	126.24	94.69
Return before operating charges	8.57	(2.91)	32.24
Operating charges	(0.73)	(0.69)	(0.69)
Return after operating charges	7.84	(3.60)	31.55
Distributions	(2.32)	(2.12)	(1.58)
Retained distributions	2.32	2.12	1.58
Closing NAV	130.48	122.64	126.24
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.55	0.56	0.59
Return after charges	+6.39	-2.85	+33.32
Other information			
Closing NAV (£'000)	2,828	2,092	451
Number of shares	2,167,338	1,705,576	357,121
Highest share price (UK p)	138.00	129.89	127.04
Lowest share price (UK p)	123.75	117.85	95.89

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	174.91	184.66	141.39
Return before operating charges	12.38	(4.08)	48.16
Operating charges	(1.69)	(1.64)	(1.68)
Return after operating charges	10.69	(5.72)	46.48
Distributions	(4.20)	(4.03)	(3.21)
Closing NAV	181.40	174.91	184.66
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.00	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.90	0.91	0.97
Return after charges	+6.11	-3.10	+32.87
Other information			
Closing NAV (£'000)	6,324	6,247	5,848
Number of shares	3,486,093	3,571,511	3,166,532
Highest share price (UK p)	195.07	189.99	188.28
Lowest share price (UK p)	176.53	171.54	143.35

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	205.70	212.34	159.78
Return before operating charges	14.49	(4.74)	54.47
Operating charges	(1.99)	(1.90)	(1.91)
Return after operating charges	12.50	(6.64)	52.56
Distributions	(3.16)	(2.84)	(1.74)
Retained distributions	3.16	2.84	1.74
Closing NAV	218.20	205.70	212.34
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.00	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.00	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.01
Operating charges	0.90	0.91	0.97
Return after charges	+6.08	-3.13	+32.90
Other information			
Closing NAV (£'000)	50,327	49,737	50,748
Number of shares	23,064,165	24,179,104	23,899,673
Highest share price (UK p)	230.86	218.92	214.14
Lowest share price (UK p)	207.57	198.31	161.91

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 October	Note	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		38,502		(38,512)
Revenue	5	20,108		19,503	
Expenses	6	(6,796)		(6,905)	
Interest payable and similar charges		(3)		(9)	
Net revenue/(expense) before taxation		13,309		12,589	
Taxation	7	0		0	
Net revenue/(expense) after taxation			13,309		12,589
Total return before distributions			51,811		(25,923)
Distributions	8		(17,976)		(17,886)
Change in net assets attributable to shareholders from investment activities			33,835		(43,809)

Statement of change in net assets attributable to shareholders

for the year to 31 October	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		818,720		900,947
Amounts received on issue of shares	61,864		37,737	
Amounts paid on cancellation of shares	(83,109)		(78,722)	
		(21,245)		(40,985)
Dilution adjustments		7		0
Change in net assets attributable to shareholders from investment activities (see above)		33,835		(43,809)
Retained distributions on Accumulation shares		3,027		2,565
Unclaimed distributions		5		2
Closing net assets attributable to shareholders		834,349		818,720

Financial statements and notes

Financial statements

Balance sheet

as at 31 October	Note	2023 £'000	2022 £'000
Assets			
Fixed assets			
Investments		833,112	806,656
Current assets			
Debtors	9	4,826	1,071
Cash and bank balances	10	8,251	23,288
Total assets		846,189	831,015
Liabilities			
Investment liabilities		(344)	(266)
Creditors			
Distribution payable		(10,589)	(11,191)
Other creditors	11	(907)	(838)
Total liabilities		(11,840)	(12,295)
Net assets attributable to shareholders		834,349	818,720

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2023 £'000	2022 £'000
Non-derivative securities	21,804	(26,582)
Derivative contracts	11,761	(17,605)
Currency gains/(losses)	(246)	117
Management charge rebates taken to capital	5,060	5,415
Rebate of ongoing charges from underlying funds taken to capital	123	143
Net capital gains/(losses)	38,502	(38,512)

Includes realised gains of £38,176,000 and unrealised losses of £4,857,000 (2022: realised gains of £5,289,000 and unrealised losses of £49,359,000). Certain realised gains and losses in the current year were unrealised in the prior year.

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments. Please refer to the 'Financial highlights' section for the effect of dilution adjustments.

for the year to 31 October	2023 £'000	% of transaction	2022 £'000	% of transaction
a) Purchases				
Collective investment schemes				
Collective investment schemes before transaction costs	73,365		0	
Commissions	22	0.03	0	0.00
Collective investment schemes after transaction costs	73,387		0	
Total purchases after transaction costs	73,387		0	
b) Sales				
Collective investment schemes				
Collective investment schemes before transaction costs	72,657		70,450	
Commissions	(8)	0.01	(4)	0.01
Collective investment schemes after transaction costs	72,649		70,446	
Total sales after transaction costs	72,649		70,446	
	2023 £'000	% of average NAV	2022 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Collective investment schemes	30	0.00	4	0.00
Total commissions paid	30	0.00	4	0.00
Total direct portfolio transaction costs	30	0.00	4	0.00
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.02		0.01

Financial statements and notes

5 Revenue

for the year to 31 October	2023 £'000	2022 £'000
Bank interest	106	21
Distributions from collective investment schemes: non-taxable	15,341	15,568
Distributions from collective investment schemes: taxable	745	0
Management charge rebates	3,904	3,914
Rebate of ongoing charges from underlying funds	12	0
Total revenue	20,108	19,503

6 Expenses

for the year to 31 October	2023 £'000	2022 £'000
Payable to the ACD or associate		
Annual charge	6,796	6,905
Total expenses	6,796	6,905

Audit fees for the financial year ending 2023 were £12,000 (2022: £12,000) (including VAT), which are covered by the annual charge.

7 Taxation

for the year to 31 October	2023 £'000	2022 £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	0	0
Deferred tax (note 7c)	0	0
Total taxation	0	0
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	13,309	12,589
Corporation tax at 20%	2,662	2,518
Effects of:		
Tax on management charge rebates taken to capital	1,037	1,112
Distributions from collective investment schemes: non-taxable	(3,068)	(3,114)
Current year expenses not utilised	(631)	(516)
Total tax charge (note 7a)	0	0
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	0	0

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The fund has not recognised a deferred tax asset of £1,636,000 (2022: £2,267,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 October	2023		2022	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Dividend distributions				
Interim	4,228	620	3,922	338
Final	10,589	2,407	11,191	2,227
Total net distributions		17,844		17,678
Income deducted on cancellation of shares		320		877
Income received on issue of shares		(188)		(669)
Distributions		17,976		17,886
Net revenue/(expense) per statement of total return		13,309		12,589
Expenses offset against capital		5,249		5,401
Sharing of relief between classes		(582)		(104)
Distributions		17,976		17,886

9 Debtors

as at 31 October	2023 £'000	2022 £'000
Amounts receivable on issues of shares	963	138
Management charge rebates due	345	366
Rebate of ongoing charges from underlying funds	7	7
Sales awaiting settlement	3,511	560
Total debtors	4,826	1,071

10 Cash and bank balances

as at 31 October	2023 £'000	2022 £'000
Cash held as bank balances	8,251	23,288
Total cash and bank balances	8,251	23,288

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11 Other creditors

as at 31 October	2023 £'000	2022 £'000
Amounts payable on cancellation of shares	636	591
Annual charge payable	271	247
Total other creditors	907	838

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2022: same).

13 Shares in issue

The following table shows each class of share in issue during the year. Each share class has the same rights on winding up however they may have different charging structures as set out in note 14.

Share class	Opening 01.11.22	Issued	Movements Cancelled	Converted	Closing 31.10.23
Sterling					
Class 'A' Income	367,651,936	7,184,560	(39,903,995)	0	334,932,501
Class 'A' Accumulation	30,295,815	3,519,795	(2,004,001)	0	31,811,609
Class 'C' Income	115,495,717	7,719,409	(11,589,839)	0	111,625,287
Class 'I' Income	2,583,286	941,272	(192,800)	0	3,331,758
Class 'I' Accumulation	3,510,550	641,690	(139,513)	0	4,012,727
Class 'PP' Income	886,424	377,833	(70,473)	0	1,193,784
Class 'PP' Accumulation	1,705,576	530,094	(68,332)	0	2,167,338
Class 'R' Income	3,571,511	367,042	(452,460)	0	3,486,093
Class 'R' Accumulation	24,179,104	729,643	(1,844,582)	0	23,064,165

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

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14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.05
Class 'C'	0.00
Class 'I'	0.65
Class 'PP'	0.55
Class 'R'	0.90

15 Related parties

M&G Securities Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal on all the transactions of shares in the fund except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to shareholders' and note 8. Amounts due to/from M&G Securities Limited in respect of share transactions at the year end are disclosed in notes 9 and 11 where applicable.

Amounts paid to M&G Securities Limited in respect of the annual charge are disclosed in note 6. Amounts due at the year end in respect of the annual charge are disclosed in note 11.

Amounts paid to M&G Securities Limited in respect of rebate arrangements for the annual charge are disclosed in notes 3 and 5. Amounts due at the year end from the ACD, and/or associate, in respect of these rebates are disclosed in note 9.

During the year, there were transactions in shares in related parties of M&G Securities Limited with a total value of £54,361,000 (2022: £61,190,000).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £698,620,000 (2022: £704,004,000).

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 23.16% (2022: 22.43%) of the fund's shares.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

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Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 October	Assets 2023 £'000	Liabilities 2023 £'000	Assets 2022 £'000	Liabilities 2022 £'000
Level 1	133,713	0	101,701	0
Level 2	699,399	(344)	704,955	(266)
Level 3	0	0	0	0
	833,112	(344)	806,656	(266)

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

18 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

The VaR limit set during the financial year to 31 October 2023 was 20% (2022: 20%).

The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2023 and 31 October 2022.

for the year to 31 October	2023 % of VaR	2023 Utilisation of VaR 20%	2022 % of VaR	2022 Utilisation of VaR 20%
Lowest	5.84	29.20	6.58	32.90
Highest	8.03	40.15	8.54	42.70
Average	7.05	35.25	7.70	38.48

19 Credit risk

The fund is exposed to credit risk through derivative positions with counterparties.

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The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 October 2023	Forward currency contracts £'000
Citigroup	369
JPMorgan	(84)
State Street Bank	(112)
UBS	262
Total	435

as at 31 October 2022	Forward currency contracts £'000
JPMorgan	656
State Street Bank	80
UBS	(51)
Total	685

20 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2023 and 31 October 2022 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2023 £'000	2023 %	2022 £'000	2022 %
Lowest	1,022,951	121.00	803,389	121.00
Highest	1,587,234	183.00	924,411	176.00
Average	1,122,706	129.38	868,424	125.91

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21 Dividend distribution tables

This fund pays semi-annual ordinary distributions and the following table sets out the distribution periods.

Semi-annual distribution periods

	Start	End	Xd	Payment
Interim	01.11.22	30.04.23	02.05.23	30.06.23
Final	01.05.23	31.10.23	01.11.23	31.12.23

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares.

Group 1 shares are those purchased prior to a distribution period and therefore their income rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
Interim	0.6783	0.2342	0.9125	0.7294
Final	1.5350	0.5648	2.0998	2.1066

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
Interim	0.1254	0.5461	0.6715	0.2066
Final	1.1380	0.7644	1.9024	1.8686

Sterling Class 'C' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
Interim	0.2650	0.2927	0.5577	0.7229
Final	1.4605	0.7235	2.1840	2.2018

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Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
Interim	5.6436	5.2109	10.8545	9.8801
Final	19.9096	9.8550	29.7646	30.1087

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
Interim	2.1926	5.0837	7.2763	5.5238
Final	16.8225	12.3695	29.1920	28.8644

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
Interim	0.3998	0.3936	0.7934	0.6119
Final	0.9767	0.9165	1.8932	1.9169

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
Interim	0.3917	0.1597	0.5514	0.3702
Final	0.6106	1.1601	1.7707	1.7470

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
Interim	0.7133	0.5141	1.2274	1.0189
Final	1.8790	1.0966	2.9756	3.0151

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Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023	Equalisation	Distribution	
	2023	2023	2023	2022
	UK p	UK p	UK p	UK p
Interim	0.1980	0.3914	0.5894	0.2816
Final	1.6639	0.9029	2.5668	2.5562

22 Events after the balance sheet date

There were no events after the balance sheet date to disclose.

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

Investment objective

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

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

Investment policy

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

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

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

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

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

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

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

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

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

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

Investment approach

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

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

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

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

ESG information

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

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

Benchmark

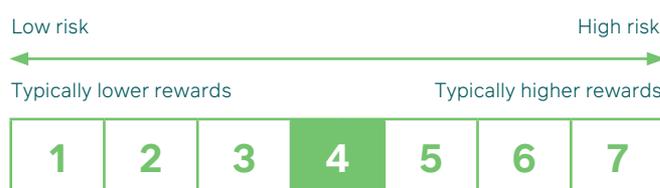
Benchmark: None.

The fund is actively managed and it has no benchmark. Investors can assess the performance of the fund by its objective to provide a total return of 4 to 8% per annum over any five-year period. The fund's annual report for each financial year will include details of the fund's performance in relation to its objective.

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 14.

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



The above number:

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

Investment review

For the year ended 31 October 2023

Performance against objective

Between 1 November 2022 (the start of the review period) and 31 October 2023, the M&G Sustainable Multi Asset Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. The fund's performance against its objective cannot be assessed as the fund launched less than five years ago.

The fund's volatility levels have recently tracked higher than expectations (9.3% annualised over the three-year period to 31 October 2023 for the Sterling 'I' Accumulation share class. The expected volatility over any five-year period is 4-7%, annualised). These heightened levels mainly reflect the price volatility we have seen in government bond markets in 2022 and 2023 as a result of the dramatic interest rate increases we have seen globally in response to higher inflation.

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However, our latest figures show fund volatility tracking back towards its expected range.

Performance review

The strength of the investment returns across many asset classes during early part of 2023 took observers by surprise given the plethora of gloomy economic forecasts that spilled over from 2022, a period that saw many asset prices suffer under the weight of soaring global inflation and aggressive interest rate hikes.

However, the performance of many financial markets tailed off from July 2023 onwards as investors began to anticipate 'higher-for-longer' interest rate policy from leading central banks. This shift in policy outlook was partly driven by surprisingly robust economic performance among the major economies, but particularly the underlying strength of the US labour market and its wider economy. These factors aided a surge in developed market government bond yields, and a re-pricing of risk across other asset classes, particularly in the third quarter of 2023 as US and other leading government bond markets fell sharply in value.

The fund managed to post a positive investment return over the 12-month review period, in an environment where many multi-asset strategies struggled due to some notable periods of correlated price falls across equity and bond markets. The fund's significant exposure to long-dated US government bonds and other developed market government bonds (including several green sovereign bonds) was a drag on returns given the jump in yields. This soured what was otherwise a positive period for the fund, which had seen the fund's equity allocation (and notably its basket of technology equities) and its corporate bonds exposure enjoy a period of good performance.

Towards the end of the period, the fund suffered from some stock-specific weakness among its positive impact holdings due to the high interest rate environment. During this phase, some of the largest detractors were solar panel parts manufacturer SolarEdge Technologies, semiconductor supplier onsemi and genetic-sequencing specialist Illumina. The fund also experienced a negative performance

contribution from its listed infrastructure exposure, including names such as Greencoat Renewables. On the other hand, the fund's exposure to European bank equities and emerging market government bonds proved fruitful over the period.

As at 31 October 2023, the MSCI ESG score for the fund was 7.5, equivalent to an MSCI ESG rating of AA. The fund continues to hold a significant amount of exposure (46.2%) to positive impact assets. These holdings aim to generate a positive social and/or environmental impact, alongside a financial return.

Investment activities

The fund has been cautiously positioned for most of the period, maintaining a healthy cash position in order to respond to tactical opportunities and absorb market drawdowns. While this stance has cost us at times, particularly given the performance resilience displayed by most risk markets over the first half of the year, we felt it was the most prudent approach given the unprecedented levels of repricing we have seen in government bond markets as several leading economies digested policy rates above 5% for the first time in decades.

We sought to maximise the sustainability characteristics in the portfolio and have carried out portfolio rebalancing when we've identified concerns. For example, the fund reduced some Asian and Japanese equity exposure following some notable ESG downgrades at the start of the year.

In April, we added to our sovereign green bond holdings with bond issues from the UK, Italy and Germany; diversifying our overall exposure both in terms of maturities and currency. We also reduced equity risk by carrying out some switches into lower-risk names following the resilient performance shown by many equity markets since the start of the year. We felt that, up to that point, markets had seemingly turned a blind eye to global economic risks and rising uncertainty in the US banks sector given the collapse of regional lender Silicon Valley Bank earlier this year.

The strength of the rally in Japanese equities left valuations less attractive relative to markets in Europe

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and the UK, in our view, and we removed our overweight exposure to the country across the sustainable multi asset funds in June. At the same time, we scaled back exposure to emerging market sovereign bonds after some good performance, while maintaining an overweight position to the asset class across the fund range. Specifically, we reduced a position in Colombian sovereign green bonds.

We added to UK bonds again as gilt yields continued to move higher. Despite the tougher inflationary environment in the UK, we felt it was prudent to add exposure given how susceptible the UK consumers and businesses could be to tighter financial conditions.

Finally, we decided to cut equity exposure in October to reduce overall portfolio risk. We mainly targeted European banks and financials, selling out of some names entirely and moving proceeds to cash.

Outlook

The foundation of our multi-asset approach is to look for opportunities at the intersection of compelling asset class valuations and behavioural biases entering the market. In the current environment, that means supportive valuations in government bond markets need to be weighed against the range of growth/inflation outcomes that are priced in, and reasonable valuations in equities against the prospect for corporate earnings.

Given the emerging signs of weaker household and business finances in the US and the already soft economic activity data in Europe, we feel it is prudent to maintain our cautious stance in the portfolio for now, particularly around equities. However, the fund remains fully invested across a variety of asset classes and can benefit, we believe, from a period of renewed resilience in risk markets and/or an environment where a disinflationary impulse becomes more prevalent.

We continue to wholeheartedly believe in the underlying structural drivers that support the sustainable investment universe, and are excited by the prospects of several areas of focus for the fund range, including renewable energy infrastructure, supranational bonds and green bonds. In the listed

green infrastructure space, for example, we have recently held several reassuring meetings with some of the businesses we own. Many of these investments trade at significant discounts to their net asset value, making the medium to long-term investment opportunity potentially even more attractive, in our view. Despite a difficult 2023 for some of these assets as interest rates have risen, we remain optimistic for the future, particularly if the outlook for rates continues to stabilise.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities	16,806	41.24	44.86
United Kingdom	2,357	5.78	6.60
UK equities	2,357	5.78	6.60
7,046 Bank of Georgia	239	0.59	
93,308 DS Smith	267	0.65	
459,161 Greencoat UK Wind	624	1.53	
685,199 Home REIT ^a	97	0.24	
92,086 Marks & Spencer	201	0.49	
697,207 Octopus Renewables Infrastructure Trust	607	1.49	
26,152 Segro REIT	187	0.46	
19,023 WPP	135	0.33	
Belgium	0	0.00	0.40
Belgian equities	0	0.00	0.40
Denmark	859	2.11	1.95
Danish equities	859	2.11	1.95
24,452 ALK-Abelló	222	0.55	
3,046 Novo Nordisk	244	0.60	
5,395 Ørsted	217	0.53	
978 Rockwool	176	0.43	
France	982	2.41	2.72
French equities	982	2.41	2.72
1,819 Capgemini	261	0.64	
5,654 Danone	278	0.68	
600 L'Oréal	209	0.51	
1,839 Schneider Electric	234	0.58	
Germany	768	1.88	2.09
German equities	768	1.88	2.09
5,620 Fresenius Medical Care	155	0.38	
3,409 Mercedes-Benz	166	0.41	
690 Münchener Rückversicherungs-Gesellschaft	229	0.56	
1,976 SAP	218	0.53	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
Guernsey	592	1.45	1.03
Guernsey equities	592	1.45	1.03
579,926 Renewables Infrastructure	592	1.45	
Ireland	561	1.38	1.49
Irish equities	561	1.38	1.49
735,849 Greencoat Renewables ^b	561	1.38	
Italy	394	0.97	0.72
Italian equities	394	0.97	0.72
12,285 Assicurazioni Generali	202	0.50	
30,126 Terna	192	0.47	
Netherlands	215	0.53	0.55
Dutch equities	215	0.53	0.55
20,461 ING	215	0.53	
Spain	670	1.64	1.89
Spanish equities	670	1.64	1.89
4,502 Amadeus IT	213	0.52	
18,454 Grifols	172	0.42	
88,943 Telefónica	285	0.70	
United States	5,333	13.09	15.83
US equities	5,333	13.09	15.83
2,246 Agilent Technologies	187	0.46	
2,949 Alphabet	302	0.74	
1,898 American Express	224	0.55	
1,098 Ansys	249	0.61	
1,799 Apple	250	0.61	
6,602 Ball	260	0.64	
9,830 Bank of New York Mellon	342	0.84	
3,053 Bright Horizons Family Solutions	186	0.46	
5,668 Cisco Systems	241	0.59	
17,982 Hannon Armstrong Sustainable Infrastructure Capital REIT	251	0.62	
1,563 Illumina	138	0.34	
8,381 Intel	247	0.61	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
United States (continued)			
US equities (continued)			
4,295 Johnson Controls International	169	0.41	
481 Lam Research	231	0.57	
1,085 Microsoft	302	0.74	
2,349 PNC Financial Services	216	0.53	
2,467 Quest Diagnostics	262	0.64	
1,827 Republic Services	221	0.54	
1,281 SolarEdge Technologies	80	0.20	
693 UnitedHealth	303	0.74	
8,011 Verizon Communications	228	0.56	
1,134 Visa	218	0.54	
2,928 Xylem	226	0.55	
Canada	183	0.45	0.53
Canadian equities	183	0.45	0.53
11,848 Boralex	183	0.45	
Brazil	321	0.79	0.52
Brazilian equities	321	0.79	0.52
98,098 AES Brasil Energia	162	0.40	
408,240 Cogna Educação	159	0.39	
Japan	953	2.34	3.67
Japanese equities	953	2.34	3.67
8,400 Dai-ichi Life	146	0.36	
2,500 Hitachi	130	0.32	
4,670 Horiba	194	0.48	
16,400 Katitas	181	0.44	
13,165 Panasonic	95	0.23	
1,600 Sony	109	0.27	
4,400 Takeda Pharmaceutical	98	0.24	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
Australia	430	1.06	0.60
Australian equities	430	1.06	0.60
33,096 Brambles	226	0.56	
1,618 Cochlear	204	0.50	
Hong Kong	637	1.56	1.05
Hong Kong equities	637	1.56	1.05
25,152 AIA	180	0.44	
262,000 Lenovo	251	0.62	
130,000 Swire Properties	206	0.50	
India	191	0.47	0.61
Indian equities	191	0.47	0.61
4,080 HDFC Bank ADR	191	0.47	
South Korea	197	0.48	0.76
South Korean equities	197	0.48	0.76
4,845 Samsung Electronics	197	0.48	
Taiwan	888	2.18	1.51
Taiwanese equities	888	2.18	1.51
74,000 ASE Technology	212	0.52	
181,073 Cathay Financial	201	0.49	
411,217 E.Sun Financial	248	0.61	
17,000 Taiwan Semiconductor Manufacturing	227	0.56	
South Africa	275	0.67	0.34
South African equities	275	0.67	0.34
96,340 Sanlam	275	0.67	
Fixed income	21,428	52.59	45.19
United Kingdom	11,404	27.99	10.54
Government bonds	10,776	26.45	10.09
£950,000 UK Treasury 0% 20/11/2023	947	2.32	
£1,800,000 UK Treasury 0% 04/12/2023	1,791	4.40	
£3,360,000 UK Treasury 0% 15/01/2024	3,323	8.15	
£889,000 UK Treasury 0% 22/01/2024	878	2.16	
£1,358,000 UK Treasury 0% 19/02/2024	1,336	3.28	

Portfolio statement

Investments (continued)

Holding		as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)				
United Kingdom (continued)				
Government bonds (continued)				
£424,000	UK Treasury 0% 02/04/2024	415	1.02	
£2,055,613	UK Treasury 0.875% 31/07/2033	1,474	3.62	
£1,299,970	UK Treasury 1.5% 31/07/2053	612	1.50	
	Investment grade corporate bonds	628	1.54	0.45
IDR8,110,000,000	European Bank for Reconstruction & Development 4.25% 07/02/2028	385	0.94	
€303,000	Vodafone 0.9% 24/11/2026	243	0.60	
	Belgium	240	0.59	0.00
	Investment grade corporate bonds	240	0.59	0.00
€300,000	KBC Var. Rate 0.25% 01/03/2027	240	0.59	
	France	819	2.01	0.53
	Investment grade corporate bonds	627	1.54	0.53
US\$259,000	EDF 3.625% 13/10/2025	205	0.50	
€300,000	Société Générale Var. Rate 0.875% 22/09/2028	228	0.56	
€232,000	Unibail-Rodamco-Westfield 1% 14/03/2025	194	0.48	
	Below investment grade corporate bonds	192	0.47	0.00
€237,000	Renault 1% 28/11/2025	192	0.47	
	Germany	811	1.99	0.00
	Government bonds	399	0.98	0.00
€542,523	Germany (Federal Republic of) 0% 15/08/2030	399	0.98	
	Investment grade corporate bonds	264	0.65	0.00
€264,000	Mercedes-Benz 0.75% 10/09/2030	187	0.46	
€118,000	Mercedes-Benz 0.75% 11/03/2033	77	0.19	
	Below investment grade corporate bonds	148	0.36	0.00
€200,000	ZF Finance 2.25% 03/05/2028	148	0.36	
	Italy	378	0.93	0.00
	Government bonds	192	0.47	0.00
€235,000	Italy (Republic of) 4% 30/04/2035	192	0.47	
	Investment grade corporate bonds	186	0.46	0.00
€213,000	Intesa Sanpaolo 4.75% 06/09/2027	186	0.46	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
Luxembourg	872	2.14	0.00
Investment grade corporate bonds	872	2.14	0.00
ZAR49,340,000 European Investment Bank 0% 18/10/2032	872	2.14	
Netherlands	237	0.58	0.00
Investment grade corporate bonds	237	0.58	0.00
€300,000 ING 2.5% 15/11/2030	237	0.58	
Portugal	322	0.79	0.44
Investment grade corporate bonds	322	0.79	0.44
€300,000 EDP - Energias de Portugal 1.625% 15/04/2027	243	0.60	
€100,000 EDP Finance 0.375% 16/09/2026	79	0.19	
Sweden	417	1.02	0.42
Investment grade corporate bonds	191	0.47	0.00
€243,000 Swedbank Var. Rate 0.3% 20/05/2027	191	0.47	
Below investment grade corporate bonds	226	0.55	0.42
€143,000 Volvo Car 2.5% 07/10/2027	113	0.28	
€136,000 Volvo Car 4.25% 31/05/2028	113	0.27	
United States	4,850	11.90	25.13
Government bonds	0	0.00	14.74
Investment grade corporate bonds	4,482	11.00	9.07
€100,000 Apple 0% 15/11/2025	82	0.20	
US\$250,000 Apple 3% 20/06/2027	191	0.47	
US\$181,000 Boston Properties 2.55% 01/04/2032	103	0.25	
US\$164,000 Boston Properties 4.5% 01/12/2028	118	0.29	
US\$251,000 HCA 5% 15/03/2024	205	0.50	
£910,000 Inter-American Development Bank 1.375% 15/12/2024	870	2.14	
US\$1,029,000 Inter-American Development Bank 4.375% 24/01/2044	730	1.79	
IDR7,320,000,000 Inter-American Development Bank 5.1% 17/11/2026	366	0.90	
BRL2,720,000 International Bank for Reconstruction & Development 0% 30/01/2024	434	1.07	
MXN20,660,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	823	2.02	
BRL1,440,000 International Bank for Reconstruction & Development 5% 22/01/2026	214	0.53	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
United States (continued)			
Investment grade corporate bonds (continued)			
US\$193,000 Prologis 1.25% 15/10/2030	116	0.28	
US\$165,000 Xylem 1.95% 30/01/2028	116	0.28	
US\$179,000 Xylem 2.25% 30/01/2031	114	0.28	
Below investment grade corporate bonds	368	0.90	1.32
US\$115,000 Ball 2.875% 15/08/2030	73	0.18	
US\$173,000 Ball 3.125% 15/09/2031	110	0.27	
US\$189,000 DaVita 3.75% 15/02/2031	111	0.27	
US\$116,000 DaVita 4.625% 01/06/2030	74	0.18	
Chile	1,125	2.76	3.05
Government bonds	1,125	2.76	3.05
€764,000 Chile (Republic of) 1.25% 29/01/2040	411	1.01	
CLP840,000,000 Chile (Republic of) 5% 01/10/2028	714	1.75	
Colombia	492	1.21	1.44
Government bonds	492	1.21	1.44
COP3,110,100,000 Colombia (Republic of) 7% 26/03/2031	492	1.21	
Mexico	0	0.00	1.90
Government bonds	0	0.00	1.90
South Africa	0	0.00	1.28
Government bonds	0	0.00	1.28
Cayman Islands	0	0.00	0.46
Investment grade corporate bonds	0	0.00	0.46
Debt derivatives	(539)	(1.32)	0.00
Interest rate futures	(539)	(1.32)	
46 US Ultra Bond Dec 2023	(539)	(1.32)	
Currency	9	0.02	0.09
Forward currency contracts	9	0.02	0.09
AU\$(768,236) Sold for £403,428 (expires 31.01.24)	1	0.00	
CA\$(368,540) Sold for £220,558 (expires 31.01.24)	1	0.00	
DKK(7,648,231) Sold for £897,115 (expires 31.01.24)	(3)	(0.01)	
€(8,399,120) Sold for £7,343,644 (expires 31.01.24)	(33)	(0.08)	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Currency (continued)			
Forward currency contracts (continued)			
HK\$(5,148,951) Sold for £543,789 (expires 31.01.24)	3	0.01	
HK\$(8,083,428) Sold for £6,667,220 (expires 31.01.24)	34	0.08	
US\$1,076,782 Bought for TWD34,437,068 (expires 31.01.24)	6	0.02	
Total portfolio	38,243	93.85	90.14
Net other assets/(liabilities)	2,508	6.15	9.86
Net assets attributable to shareholders	40,751	100.00	100.00

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

^a Suspended/delisted.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the year to 31 October 2023

Largest purchases	£'000
UK Treasury 0% 15/01/2024	3,269
UK Treasury 0% 24/07/2023	3,213
UK Treasury 0% 10/07/2023	2,732
UK Treasury 0% 15/05/2023	2,517
UK Treasury 0% 30/01/2023	1,966
UK Treasury 0% 04/12/2023	1,759
UK Treasury 0.875% 31/07/2033	1,511
UK Treasury 0% 19/02/2024	1,323
UK Treasury 0% 04/09/2023	1,111
European Investment Bank 0% 18/10/2032	958
Other purchases	17,403
Total purchases	37,762

Largest sales	£'000
US Treasury 3% 15/02/2048	5,080
UK Treasury 0% 24/07/2023	3,273
UK Treasury 0% 10/07/2023	2,777
UK Treasury 0% 06/02/2023	2,733
UK Treasury 0% 30/01/2023	2,698
UK Treasury 0% 15/05/2023	2,540
UK Treasury 0% 04/09/2023	1,130
Mexico (United Mexican States) 8.5% 18/11/2038	739
Inter-American Development Bank 0.875% 03/04/2025	727
South Africa (Republic of) 6.25% 31/03/2036	539
Other sales	8,786
Total sales	31,022

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+1.2	+0.7	n/a	n/a
Class 'A' Accumulation	+1.2	+0.7	n/a	n/a
Class 'I' Income	+1.5	+1.0	n/a	n/a
Class 'I' Accumulation	+1.5	+1.0	n/a	n/a
Class 'L' Income	+1.6	+1.2	n/a	n/a
Class 'L' Accumulation	+1.7	+1.2	n/a	n/a
Class 'PP' Income	+1.6	+1.1	n/a	n/a
Class 'PP' Accumulation	+1.6	+1.1	n/a	n/a
Class 'R' Income	+1.3	+0.8	n/a	n/a
Class 'R' Accumulation	+1.3	+0.8	n/a	n/a

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 20 February 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	94.70	113.37	99.13
Return before operating charges	2.08	(14.41)	18.13
Operating charges	(1.12)	(1.23)	(1.20)
Return after operating charges	0.96	(15.64)	16.93
Distributions	(3.43)	(3.03)	(2.69)
Closing NAV	92.23	94.70	113.37
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.03	0.04
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	1.13	1.14	1.09
Return after charges	+1.01	-13.80	+17.08
Other information			
Closing NAV (£'000)	929	961	1,070
Number of shares	1,007,005	1,015,265	943,691
Highest share price (UK p)	102.57	116.75	115.71
Lowest share price (UK p)	92.55	93.34	99.75

Sterling Class 'A' Accumulation share performance

The share class was launched on 20 February 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	105.07	122.15	104.26
Return before operating charges	2.13	(15.76)	19.17
Operating charges	(1.25)	(1.32)	(1.28)
Return after operating charges	0.88	(17.08)	17.89
Distributions	(2.69)	(2.06)	(1.56)
Retained distributions	2.69	2.06	1.56
Closing NAV	105.95	105.07	122.15
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.04	0.03	0.04
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.03	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	1.13	1.14	1.09
Return after charges	+0.84	-13.98	+17.16
Other information			
Closing NAV (£'000)	350	330	126
Number of shares	330,175	313,997	103,449
Highest share price (UK p)	114.80	125.78	123.81
Lowest share price (UK p)	105.14	102.72	104.92

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 20 February 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	96.42	114.94	100.06
Return before operating charges	2.02	(14.73)	18.26
Operating charges	(0.74)	(0.81)	(0.75)
Return after operating charges	1.28	(15.54)	17.51
Distributions	(3.41)	(2.98)	(2.63)
Closing NAV	94.29	96.42	114.94
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.03	0.04
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	0.73	0.74	0.67
Return after charges	+1.33	-13.52	+17.50
Other information			
Closing NAV (£'000)	4,472	3,422	1,743
Number of shares	4,743,422	3,548,733	1,516,158
Highest share price (UK p)	104.55	118.37	117.22
Lowest share price (UK p)	94.59	94.99	100.70

Sterling Class 'I' Accumulation share performance

The share class was launched on 20 February 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	106.60	123.54	105.08
Return before operating charges	2.06	(16.06)	19.25
Operating charges	(0.82)	(0.88)	(0.79)
Return after operating charges	1.24	(16.94)	18.46
Distributions	(3.09)	(2.47)	(1.98)
Retained distributions	3.09	2.47	1.98
Closing NAV	107.84	106.60	123.54
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.04	0.03	0.05
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.03	0.00	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	0.73	0.74	0.66
Return after charges	+1.16	-13.71	+17.57
Other information			
Closing NAV (£'000)	12,336	8,750	6,102
Number of shares	11,439,345	8,208,180	4,939,225
Highest share price (UK p)	116.75	127.22	125.15
Lowest share price (UK p)	106.68	104.21	105.76

Financial highlights

Sterling Class 'L' Income share performance

The share class was launched on 20 February 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	97.21	115.68	100.49
Return before operating charges	1.99	(14.88)	18.30
Operating charges	(0.54)	(0.61)	(0.52)
Return after operating charges	1.45	(15.49)	17.78
Distributions	(3.48)	(2.98)	(2.59)
Closing NAV	95.18	97.21	115.68
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.03	0.04
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	0.53	0.54	0.46
Return after charges	+1.49	-13.39	+17.69
Other information			
Closing NAV (£'000)	20	20	24
Number of shares	20,700	20,700	20,700
Highest share price (UK p)	105.39	119.15	117.93
Lowest share price (UK p)	95.47	95.78	101.14

Sterling Class 'L' Accumulation share performance

The share class was launched on 20 February 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	107.30	124.15	105.42
Return before operating charges	2.02	(16.20)	19.28
Operating charges	(0.60)	(0.65)	(0.55)
Return after operating charges	1.42	(16.85)	18.73
Distributions	(3.32)	(2.67)	(2.19)
Retained distributions	3.32	2.67	2.19
Closing NAV	108.72	107.30	124.15
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.04	0.03	0.05
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.03	0.00	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	0.53	0.54	0.46
Return after charges	+1.32	-13.57	+17.77
Other information			
Closing NAV (£'000)	20,212	19,685	13,567
Number of shares	18,590,154	18,345,597	10,928,592
Highest share price (UK p)	117.65	127.87	125.74
Lowest share price (UK p)	107.38	104.89	106.10

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	94.32	112.33	97.67
Return before operating charges	1.95	(14.42)	17.80
Operating charges	(0.62)	(0.69)	(0.60)
Return after operating charges	1.33	(15.11)	17.20
Distributions	(3.33)	(2.90)	(2.54)
Closing NAV	92.32	94.32	112.33
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.03	0.04
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	0.63	0.64	0.55
Return after charges	+1.41	-13.45	+17.61
Other information			
Closing NAV (£'000)	302	317	288
Number of shares	327,385	335,653	256,266
Highest share price (UK p)	102.29	115.70	114.55
Lowest share price (UK p)	92.61	92.92	98.30

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	104.57	121.09	102.92
Return before operating charges	2.00	(15.77)	18.80
Operating charges	(0.70)	(0.75)	(0.63)
Return after operating charges	1.30	(16.52)	18.17
Distributions	(3.13)	(2.52)	(2.06)
Retained distributions	3.13	2.52	2.06
Closing NAV	105.87	104.57	121.09
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.04	0.03	0.04
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.03	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	0.63	0.64	0.55
Return after charges	+1.24	-13.64	+17.65
Other information			
Closing NAV (£'000)	1,052	1,021	834
Number of shares	993,330	976,257	688,422
Highest share price (UK p)	114.58	124.70	122.66
Lowest share price (UK p)	104.64	102.22	103.55

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 20 February 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	95.49	114.17	99.64
Return before operating charges	2.06	(14.55)	18.22
Operating charges	(0.98)	(1.09)	(1.02)
Return after operating charges	1.08	(15.64)	17.20
Distributions	(3.44)	(3.04)	(2.67)
Closing NAV	93.13	95.49	114.17
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.03	0.04
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.02	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	0.98	0.99	0.92
Return after charges	+1.13	-13.70	+17.26
Other information			
Closing NAV (£'000)	179	154	266
Number of shares	192,444	161,422	232,915
Highest share price (UK p)	103.45	117.57	116.49
Lowest share price (UK p)	93.44	94.13	100.28

Sterling Class 'R' Accumulation share performance

The share class was launched on 20 February 2019.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	105.82	122.87	104.73
Return before operating charges	2.10	(15.88)	19.22
Operating charges	(1.09)	(1.17)	(1.08)
Return after operating charges	1.01	(17.05)	18.14
Distributions	(2.85)	(2.24)	(1.73)
Retained distributions	2.85	2.24	1.73
Closing NAV	106.83	105.82	122.87
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.04	0.03	0.04
Dilution adjustments	(0.01)	(0.03)	(0.03)
Total direct transaction costs	0.03	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.01
Operating charges	0.98	0.99	0.92
Return after charges	+0.95	-13.88	+17.32
Other information			
Closing NAV (£'000)	899	940	1,037
Number of shares	841,687	888,081	844,098
Highest share price (UK p)	115.71	126.53	124.52
Lowest share price (UK p)	105.89	103.45	105.39

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Statement of total return

for the year to 31 October	Note	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		(929)		(5,578)
Revenue	5	1,561		988	
Expenses	6	(224)		(179)	
Interest payable and similar charges		(1)		0	
Net revenue/(expense) before taxation		1,336		809	
Taxation	7	(205)		(116)	
Net revenue/(expense) after taxation			1,131		693
Total return before distributions			202		(4,885)
Distributions	8		(1,176)		(728)
Change in net assets attributable to shareholders from investment activities			(974)		(5,613)

Statement of change in net assets attributable to shareholders

for the year to 31 October	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		35,600		25,057
Amounts received on issue of shares	6,937		17,277	
Amounts paid on cancellation of shares	(1,814)		(1,799)	
		5,123		15,478
Dilution adjustments		11		32
Change in net assets attributable to shareholders from investment activities (see above)		(974)		(5,613)
Retained distributions on Accumulation shares		991		646
Closing net assets attributable to shareholders		40,751		35,600

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Balance sheet

as at 31 October	Note	2023 £'000	2022 £'000
Assets			
Fixed assets			
Investments		38,818	32,126
Current assets			
Debtors	9	202	235
Cash and bank balances	10	2,525	3,407
Total assets		41,545	35,768
Liabilities			
Investment liabilities		(575)	(36)
Creditors			
Distribution payable		(56)	(38)
Other creditors	11	(163)	(94)
Total liabilities		(794)	(168)
Net assets attributable to shareholders		40,751	35,600

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Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2023 £'000	2022 £'000
Non-derivative securities	(589)	(3,406)
Derivative contracts	(330)	(2,285)
Currency gains/(losses)	(10)	113
Net capital gains/(losses)	(929)	(5,578)

Includes realised losses of £476,000 and unrealised losses of £453,000 (2022: realised losses of £2,136,000 and unrealised losses of £3,442,000). Certain realised gains and losses in the current year were unrealised in the prior year.

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4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments. Please refer to the 'Financial highlights' section for the effect of dilution adjustments.

for the year to 31 October	2023 £'000	% of transaction	2022 £'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	6,382		6,984	
Commissions	3	0.04	2	0.03
Taxes	5	0.08	6	0.09
Equities after transaction costs	6,390		6,992	
Debt securities	30,758		20,590	
Collective investment schemes				
Collective investment schemes before transaction costs	613		184	
Taxes	1	0.21	0	0.00
Collective investment schemes after transaction costs	614		184	
Other transaction types				
Corporate actions	0		5	
Total purchases after transaction costs	37,762		27,771	
b) Sales				
Equities				
Equities before transaction costs	5,654		1,854	
Commissions	(2)	0.04	(1)	0.05
Taxes	(1)	0.01	0	0.00
Equities after transaction costs	5,651		1,853	
Debt securities	25,371		14,410	
Other transaction types				
Corporate actions	0		84	
Total sales after transaction costs	31,022		16,347	

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	2023 £'000	% of average NAV	2022 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	5	0.01	3	0.00
Taxes paid				
Equities	6	0.02	6	0.00
Collective investment schemes	1	0.00	0	0.00
Total taxes paid	7	0.02	6	0.00
Total direct portfolio transaction costs	12	0.03	9	0.00
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.21		0.30

5 Revenue

for the year to 31 October	2023 £'000	2022 £'000
Bank interest	12	3
Derivative revenue	6	0
Dividends from equity investments: non-taxable	541	429
Interest on debt securities	981	537
Property distribution: non-taxable	3	2
Property distribution: taxable	18	17
Total revenue	1,561	988

6 Expenses

for the year to 31 October	2023 £'000	2022 £'000
Payable to the ACD or associate		
Annual charge	224	179
Total expenses	224	179

Audit fees for the financial year ending 2023 were £12,000 (2022: £12,000) (including VAT), which are covered by the annual charge.

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7 Taxation

for the year to 31 October	2023 £'000	2022 £'000
a) Analysis of charge in the year		
Corporation tax	160	76
Withholding tax	51	42
Double taxation relief	(7)	(4)
Capital gains tax (US)	1	1
Prior year adjustment	0	1
Deferred tax (note 7c)	0	0
Total taxation	205	116
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	1,336	809
Corporation tax at 20%	268	162
Effects of:		
Dividends from equity investments: non-taxable	(108)	(86)
Double taxation relief	(7)	(4)
Withholding tax	51	42
Capital gains tax (US)	1	1
Prior year adjustment	0	1
Total tax charge (note 7a)	205	116
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	0	0

The fund has not recognised a deferred tax asset in the current financial year (2022: same).

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8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 October	2023		2022	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Dividend distributions				
First interim	35	155	21	85
Second interim	51	249	34	145
Third interim	63	311	43	224
Final	56	276	38	192
Total net distributions		1,196		782
Income deducted on cancellation of shares		10		7
Income received on issue of shares		(30)		(61)
Distributions		1,176		728
Net revenue/(expense) per statement of total return		1,131		693
Expenses offset against capital		44		35
Sharing of relief between classes		1		0
Distributions		1,176		728

9 Debtors

as at 31 October	2023 £'000	2022 £'000
Amounts receivable on issues of shares	0	20
Debt security interest receivable	171	175
Dividends receivable	18	31
Withholding tax recoverable	13	9
Total debtors	202	235

10 Cash and bank balances

as at 31 October	2023 £'000	2022 £'000
Amounts held at futures clearing houses and collateral manager	810	0
Cash held as bank balances	1,715	3,407
Total cash and bank balances	2,525	3,407

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11 Other creditors

as at 31 October	2023 £'000	2022 £'000
Amounts payable on cancellation of shares	0	14
Annual charge payable	10	7
Corporation tax payable	153	73
Total other creditors	163	94

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2022: same).

13 Shares in issue

The following table shows each class of share in issue during the year. Each share class has the same rights on winding up however they may have different charging structures as set out in note 14.

Share class	Opening 01.11.22	Issued	Movements Cancelled	Converted	Closing 31.10.23
Sterling					
Class 'A' Income	1,015,265	110,522	(118,782)	0	1,007,005
Class 'A' Accumulation	313,997	38,799	(22,621)	0	330,175
Class 'I' Income	3,548,733	1,503,967	(309,278)	0	4,743,422
Class 'I' Accumulation	8,208,180	3,790,421	(559,256)	0	11,439,345
Class 'L' Income	20,700	0	0	0	20,700
Class 'L' Accumulation	18,345,597	635,241	(390,684)	0	18,590,154
Class 'PP' Income	335,653	0	(8,268)	0	327,385
Class 'PP' Accumulation	976,257	85,111	(68,038)	0	993,330
Class 'R' Income	161,422	65,714	(34,692)	0	192,444
Class 'R' Accumulation	888,081	114,382	(160,776)	0	841,687

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

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14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.05
Class 'I'	0.65
Class 'L'	0.45
Class 'PP'	0.55
Class 'R'	0.90

15 Related parties

M&G Securities Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal on all the transactions of shares in the fund except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to shareholders' and note 8. Amounts due to/from M&G Securities Limited in respect of share transactions at the year end are disclosed in notes 9 and 11 where applicable.

Amounts paid to M&G Securities Limited in respect of the annual charge are disclosed in note 6. Amounts due at the year end in respect of the annual charge are disclosed in note 11.

During the year, there were no transactions in shares in related parties of M&G Securities Limited (2022: £nil).

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 34.52% (2022: 38.71%) of the fund's shares.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

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Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 October	Assets 2023 £'000	Liabilities 2023 £'000	Assets 2022 £'000	Liabilities 2022 £'000
Level 1	28,077	(538)	24,813	0
Level 2	10,644	(37)	7,313	(36)
Level 3	97	0	0	0
	38,818	(575)	32,126	(36)

Home REIT was suspended in the period and has been transferred from Level 1 to Level 3. Home REIT is held at a discount to estimated NAV.

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

18 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

The VaR limit set during the financial year to 31 October 2023 was 12% (2022: 12%).

The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2023 and 31 October 2022.

for the year to 31 October	2023 % of VaR	2023 Utilisation of VaR 12%	2022 % of VaR	2022 Utilisation of VaR 12%
Lowest	4.42	36.83	3.86	32.17
Highest	5.86	48.83	5.87	48.92
Average	5.05	42.08	4.94	41.14

19 Credit risk

The fund is exposed to credit risk through the credit quality of the investments it holds. The table below shows the credit quality of the investments held in the portfolio.

as at 31 October	2023 £'000	2022 £'000
Investment grade securities	20,541	14,502
Below investment grade securities	1,426	1,584
Other investments	16,276	16,004
Total	38,243	32,090

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The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(539)
Citigroup	2	0
JPMorgan	2	0
State Street Bank	(33)	0
UBS	38	0
Total	9	(539)

as at 31 October 2022	Forward currency contracts £'000
HSBC	34
JPMorgan	26
State Street Bank	2
UBS	(30)
Total	32

20 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2023 and 31 October 2022 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2023 £'000	2023 %	2022 £'000	2022 %
Lowest	49,410	135.00	25,314	136.00
Highest	107,269	266.00	37,927	283.00
Average	63,083	157.80	31,517	161.45

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21 Dividend distribution tables

This fund pays quarterly ordinary distributions and the following table sets out the distribution periods.

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.11.22	31.01.23	01.02.23	31.03.23
Second interim	01.02.23	30.04.23	02.05.23	30.06.23
Third interim	01.05.23	31.07.23	01.08.23	30.09.23
Final	01.08.23	31.10.23	01.11.23	31.12.23

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares.

Group 1 shares are those purchased prior to a distribution period and therefore their income rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
First interim	0.2036	0.4253	0.6289	0.5941
Second interim	0.4671	0.4108	0.8779	0.7728
Third interim	0.7132	0.3192	1.0324	0.8950
Final	0.2277	0.6654	0.8931	0.7704

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
First interim	0.2244	0.1800	0.4044	0.3142
Second interim	0.2697	0.4320	0.7017	0.5356
Third interim	0.4248	0.4332	0.8580	0.6765
Final	0.3968	0.3316	0.7284	0.5322

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Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.3789	0.2350	0.6139	0.5790
Second interim	0.4043	0.4707	0.8750	0.7630
Third interim	0.4102	0.6224	1.0326	0.8884
Final	0.4654	0.4262	0.8916	0.7459

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.2417	0.2539	0.4956	0.4184
Second interim	0.2634	0.5340	0.7974	0.6353
Third interim	0.4009	0.5658	0.9667	0.7783
Final	0.3377	0.4923	0.8300	0.6369

Sterling Class 'L' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.6692	0.0000	0.6692	0.5720
Second interim	0.8851	0.0000	0.8851	0.7607
Third interim	1.0311	0.0000	1.0311	0.8839
Final	0.8908	0.0000	0.8908	0.7644

Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.3400	0.2274	0.5674	0.4711
Second interim	0.4494	0.3972	0.8466	0.6857
Third interim	0.4941	0.5271	1.0212	0.8293
Final	0.6733	0.2104	0.8837	0.6879

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Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.6020	0.0000	0.6020	0.5605
Second interim	0.8512	0.0000	0.8512	0.7408
Third interim	1.0056	0.0000	1.0056	0.8634
Final	0.8687	0.0000	0.8687	0.7329

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.2737	0.2383	0.5120	0.4342
Second interim	0.3889	0.4149	0.8038	0.6456
Third interim	0.0664	0.9052	0.9716	0.7852
Final	0.1196	0.7183	0.8379	0.6505

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.3364	0.3021	0.6385	0.5900
Second interim	0.4533	0.4253	0.8786	0.7706
Third interim	0.4861	0.5481	1.0342	0.8938
Final	0.4295	0.4638	0.8933	0.7825

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.2116	0.2340	0.4456	0.3538
Second interim	0.3762	0.3617	0.7379	0.5737
Third interim	0.3073	0.5924	0.8997	0.7181
Final	0.4023	0.3664	0.7687	0.5899

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22 Events after the balance sheet date

There were no events after the balance sheet date to disclose.

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

Investment objective

The fund has two aims:

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

Investment policy

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

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

The fund aims to exclude securities issued by:

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

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

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

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

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

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

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

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

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

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

Investment approach

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

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

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

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

Benchmark

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

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

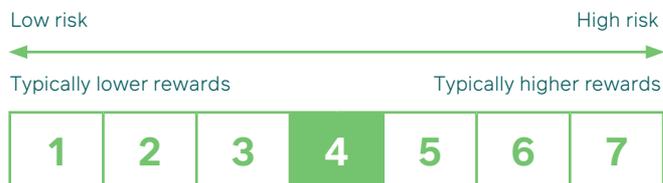
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund within the constraints set by the fund's objective and investment policy.

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

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 14.

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the year ended 31 October 2023

Volatility against objective

It is not yet possible to measure the fund's volatility (the degree to which the price varies) against its five-year volatility objective, which is to limit average volatility to 12% per annum while providing a combination of capital growth and income over any five-year period, because the fund was only launched on 8 December 2020. Volatility over a shorter period is not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's investment objective. Currently, annualised volatility is sitting at around 7.2%, below the 12% limit.

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	12.0	7.2

Performance against objective

Between 1 November 2022 (the start of the review period) and 31 October 2023, the M&G Sustainable Multi Asset Balanced Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. Performance was behind that of the benchmark, the IA Mixed Investment 20-60% Shares Sector, which produced a return of 1.7% over the same period. The fund's performance against its objective cannot be assessed as the fund launched less than five years ago.

Performance review

The strength of the investment returns across many asset classes during the early part of 2023 took observers by surprise given the plethora of gloomy economic forecasts that spilled over from 2022, a period that saw many asset prices suffer under the weight of soaring global inflation and aggressive interest rate hikes.

However, the performance of many financial markets tailed off from July 2023 onwards as investors began to anticipate 'higher-for-longer' interest rate policy from

leading central banks. This shift in policy outlook was partly driven by surprisingly robust economic performance among the major economies, but particularly the underlying strength of the US labour market and its wider economy. These factors aided a surge in developed market government bond yields, and a re-pricing of risk across other asset classes, particularly in the third quarter of 2023 as US and other leading government bond markets fell sharply in value.

The fund managed to post a positive investment return over the 12-month review period, in an environment where many multi-asset strategies struggled due to some notable periods of correlated price falls across equity and bond markets. The fund's significant exposure to long-dated US government bonds and other developed market government bonds (including several green sovereign bonds) was a drag on returns given the jump in yields. This soured what was otherwise a positive period for the fund, which had seen the fund's equity allocation (and notably its basket of technology equities) and its corporate bonds exposure enjoy a period of good performance.

Towards the end of the period, the fund suffered from some stock-specific weakness among its positive impact holdings due to the high interest rate environment. During this phase, some of the largest detractors were solar panel parts manufacturer SolarEdge Technologies, semiconductor supplier onsemi and genetic-sequencing specialist Illumina. The fund also experienced a negative performance contribution from its listed infrastructure exposure, including names such as Greencoat Renewables. On the other hand, the fund's exposure to European bank equities and emerging market government bonds proved fruitful over the period.

As at 31 October 2023, the MSCI ESG score for the fund was 7.4, equivalent to an MSCI ESG rating of AA. The fund continues to hold a significant amount of exposure (48.3%) to positive impact assets. These holdings aim to generate a positive social and/or environmental impact, alongside a financial return.

Authorised Corporate Director's Report

Investment activities

The fund has been cautiously positioned for most of the period, maintaining a healthy cash position in order to respond to tactical opportunities and absorb market drawdowns. While this stance has cost us at times, particularly given the performance resilience displayed by most risk markets over the first half of the year, we felt it was the most prudent approach given the unprecedented levels of repricing we have seen in government bond markets as several leading economies digested policy rates above 5% for the first time in decades.

We sought to maximise the sustainability characteristics in the portfolio and have carried out portfolio rebalancing when we've identified concerns. For example, the fund reduced some Asian and Japanese equity exposure following some notable ESG downgrades at the start of the year.

In April, we added to our sovereign green bond holdings with bond issues from the UK, Italy and Germany; diversifying our overall exposure both in terms of maturities and currency. We also reduced equity risk by carrying out some switches into lower-risk names following the resilient performance shown by many equity markets since the start of the year. We felt that, up to that point, markets had seemingly turned a blind eye to global economic risks and rising uncertainty in the US banks sector given the collapse of regional lender Silicon Valley Bank earlier this year.

The strength of the rally in Japanese equities left valuations less attractive relative to markets in Europe and the UK, in our view, and we removed our overweight exposure to the country across the sustainable multi asset funds in June. At the same time, we scaled back exposure to emerging market sovereign bonds after some good performance, while maintaining an overweight position to the asset class across the fund range. Specifically, we reduced a position in Colombian sovereign green bonds.

We added to UK bonds again as gilt yields continued to move higher. Despite the tougher inflationary environment in the UK, we felt it was prudent to add exposure given how susceptible the UK consumers and businesses could be to tighter financial conditions.

Finally, we decided to cut equity exposure in October to reduce overall portfolio risk. We mainly targeted European banks and financials, selling out of some names entirely and moving proceeds to cash.

Outlook

The foundation of our multi-asset approach is to look for opportunities at the intersection of compelling asset class valuations and behavioural biases entering the market. In the current environment, that means supportive valuations in government bond markets need to be weighed against the range of growth/inflation outcomes that are priced in, and reasonable valuations in equities against the prospect for corporate earnings.

Given the emerging signs of weaker household and business finances in the US and the already soft economic activity data in Europe, we feel it is prudent to maintain our cautious stance in the portfolio for now, particularly around equities. However, the fund remains fully invested across a variety of asset classes and can benefit, we believe, from a period of renewed resilience in risk markets and/or an environment where a disinflationary impulse becomes more prevalent.

We continue to wholeheartedly believe in the underlying structural drivers that support the sustainable investment universe, and are excited by the prospects of several areas of focus for the fund range, including renewable energy infrastructure, supranational bonds and green bonds. In the listed green infrastructure space, for example, we have recently held several reassuring meetings with some of the businesses we own. Many of these investments trade at significant discounts to their net asset value, making the medium to long-term investment opportunity potentially even more attractive, in our view. Despite a difficult 2023 for some of these assets as

Authorised Corporate Director's Report

interest rates have risen, we remain optimistic for the future, particularly if the outlook for rates continues to stabilise.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities	18,878	41.20	45.50
United Kingdom	2,573	5.61	6.42
UK equities	2,573	5.61	6.42
7,976 Bank of Georgia	270	0.59	
88,789 DS Smith	255	0.56	
524,308 Greencoat UK Wind	713	1.55	
783,249 Home REIT ^a	111	0.24	
104,243 Marks & Spencer	228	0.50	
796,129 Octopus Renewables Infrastructure Trust	693	1.51	
20,105 Segro REIT	143	0.31	
22,658 WPP	160	0.35	
Belgium	0	0.00	0.28
Belgian equities	0	0.00	0.28
Denmark	874	1.91	1.37
Danish equities	874	1.91	1.37
22,337 ALK-Abelló	202	0.44	
3,117 Novo Nordisk	250	0.55	
5,125 Ørsted	206	0.45	
1,199 Rockwool	216	0.47	
France	990	2.16	2.71
French equities	990	2.16	2.71
1,762 Capgemini	253	0.55	
5,230 Danone	258	0.56	
617 L'Oréal	215	0.47	
2,081 Schneider Electric	264	0.58	
Germany	724	1.58	1.60
German equities	724	1.58	1.60
663 Allianz	129	0.28	
2,384 Bayerische Motoren Werke	183	0.40	
5,790 Fresenius Medical Care	160	0.35	
2,288 SAP	252	0.55	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
Guernsey	677	1.48	1.00
Guernsey equities	677	1.48	1.00
663,645 Renewables Infrastructure	677	1.48	
Ireland	641	1.40	1.42
Irish equities	641	1.40	1.42
840,253 Greencoat Renewables ^b	641	1.40	
Italy	463	1.01	0.68
Italian equities	463	1.01	0.68
14,405 Assicurazioni Generali	237	0.52	
35,511 Terna	226	0.49	
Netherlands	233	0.51	0.47
Dutch equities	233	0.51	0.47
22,168 ING	233	0.51	
Spain	728	1.59	1.66
Spanish equities	728	1.59	1.66
4,287 Amadeus IT	202	0.44	
21,177 Grifols	197	0.43	
102,554 Telefónica	329	0.72	
United States	6,538	14.27	16.00
US equities	6,538	14.27	16.00
2,550 Agilent Technologies	212	0.46	
2,921 Alphabet	299	0.65	
1,956 American Express	230	0.50	
4,544 AMERISAFE	189	0.41	
973 Ansys	220	0.48	
1,659 Apple	231	0.50	
4,982 Ball	196	0.43	
11,225 Bank of New York Mellon	391	0.85	
4,181 Bright Horizons Family Solutions	255	0.56	
3,219 CBRE	179	0.39	
6,416 Cisco Systems	272	0.59	
20,355 Hannon Armstrong Sustainable Infrastructure Capital REIT	284	0.62	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
United States (continued)			
US equities (continued)			
1,352 Illumina	120	0.26	
8,632 Intel	254	0.56	
4,762 Johnson Controls International	188	0.41	
3,617 Kellanova	150	0.33	
454 Lam Research	218	0.48	
1,053 Microsoft	293	0.64	
3,704 onsemi	198	0.43	
2,440 PNC Financial Services	224	0.49	
1,547 Procter & Gamble	190	0.42	
2,327 Quest Diagnostics	247	0.54	
2,114 Republic Services	256	0.56	
1,463 SolarEdge Technologies	91	0.20	
578 Thermo Fisher Scientific	208	0.45	
672 UnitedHealth	294	0.64	
8,162 Verizon Communications	233	0.51	
998 Visa	192	0.42	
904 WK Kellogg	8	0.02	
2,803 Xylem	216	0.47	
Canada	207	0.45	0.57
Canadian equities	207	0.45	0.57
13,413 Boralex	207	0.45	
Brazil	425	0.93	1.26
Brazilian equities	425	0.93	1.26
146,964 AES Brasil Energia	242	0.53	
468,568 Cogna Educação	183	0.40	
Japan	1,086	2.37	4.02
Japanese equities	1,086	2.37	4.02
8,800 Dai-ichi Life	153	0.33	
2,900 Hitachi	151	0.33	
5,300 Horiba	221	0.48	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
Japan (continued)			
Japanese equities (continued)			
18,800 Katitas	207	0.45	
15,100 Panasonic	109	0.24	
1,800 Sony	123	0.27	
5,500 Takeda Pharmaceutical	122	0.27	
Australia	454	0.99	1.01
Australian equities	454	0.99	1.01
34,881 Brambles	239	0.52	
1,711 Cochlear	215	0.47	
Hong Kong	721	1.57	1.46
Hong Kong equities	721	1.57	1.46
31,200 AIA	223	0.48	
310,000 Lenovo	297	0.65	
126,800 Swire Properties	201	0.44	
India	192	0.42	0.53
Indian equities	192	0.42	0.53
4,101 HDFC Bank ADR	192	0.42	
South Korea	207	0.45	0.71
South Korean equities	207	0.45	0.71
5,098 Samsung Electronics	207	0.45	
Taiwan	930	2.03	1.87
Taiwanese equities	930	2.03	1.87
84,000 ASE Technology	240	0.52	
230,384 Cathay Financial	256	0.56	
232,061 E.Sun Financial	140	0.31	
22,000 Taiwan Semiconductor Manufacturing	294	0.64	
South Africa	215	0.47	0.46
South African equities	215	0.47	0.46
75,208 Sanlam	215	0.47	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income	24,634	53.76	50.24
United Kingdom	12,239	26.71	16.89
Government bonds	11,789	25.73	16.50
£1,498,000 UK Treasury 0% 04/12/2023	1,490	3.25	
£4,139,000 UK Treasury 0% 15/01/2024	4,094	8.94	
£944,000 UK Treasury 0% 22/01/2024	933	2.04	
£2,302,000 UK Treasury 0% 19/02/2024	2,265	4.94	
£615,000 UK Treasury 0% 02/04/2024	601	1.31	
£2,370,974 UK Treasury 0.875% 31/07/2033	1,700	3.71	
£1,499,519 UK Treasury 1.5% 31/07/2053	706	1.54	
Investment grade corporate bonds	450	0.98	0.39
IDR4,410,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	209	0.46	
€300,000 Vodafone 0.9% 24/11/2026	241	0.52	
Belgium	240	0.52	0.00
Investment grade corporate bonds	240	0.52	0.00
€300,000 KBC Var. Rate 0.25% 01/03/2027	240	0.52	
France	868	1.89	1.18
Investment grade corporate bonds	724	1.58	0.91
US\$299,000 EDF 3.625% 13/10/2025	236	0.51	
€300,000 Société Générale Var. Rate 0.875% 22/09/2028	228	0.50	
€300,000 Unibail-Rodamco-Westfield 2.5% 26/02/2024	260	0.57	
Below investment grade corporate bonds	144	0.31	0.27
€177,000 Renault 1% 28/11/2025	144	0.31	
Germany	928	2.03	0.92
Government bonds	460	1.01	0.00
€625,550 Germany (Federal Republic of) 0% 15/08/2030	460	1.01	
Investment grade corporate bonds	320	0.70	0.92
€327,000 Mercedes-Benz 0.75% 10/09/2030	231	0.50	
€136,000 Mercedes-Benz 0.75% 11/03/2033	89	0.20	
Below investment grade corporate bonds	148	0.32	0.00
€200,000 ZF Finance 2.25% 03/05/2028	148	0.32	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
Italy	427	0.93	0.49
Government bonds	221	0.48	0.00
€271,000 Italy (Republic of) 4% 30/04/2035	221	0.48	
Investment grade corporate bonds	206	0.45	0.49
€235,000 Intesa Sanpaolo 4.75% 06/09/2027	206	0.45	
Luxembourg	1,917	4.18	2.96
Investment grade corporate bonds	1,917	4.18	2.96
ZAR28,000,000 European Investment Bank 0% 18/10/2032	495	1.08	
£1,489,000 European Investment Bank 0.75% 15/11/2024	1,422	3.10	
Netherlands	237	0.52	0.48
Investment grade corporate bonds	237	0.52	0.48
€300,000 ING 2.5% 15/11/2030	237	0.52	
Portugal	369	0.81	0.39
Investment grade corporate bonds	369	0.81	0.39
€300,000 EDP - Energias de Portugal 1.625% 15/04/2027	243	0.53	
€160,000 EDP Finance 0.375% 16/09/2026	126	0.28	
Sweden	642	1.40	0.97
Investment grade corporate bonds	220	0.48	0.00
€279,000 Swedbank Var. Rate 0.3% 20/05/2027	220	0.48	
Below investment grade corporate bonds	422	0.92	0.97
€272,000 Volvo Car 2.5% 07/10/2027	215	0.47	
€249,000 Volvo Car 4.25% 31/05/2028	207	0.45	
United States	6,015	13.13	20.90
Government bonds	0	0.00	10.54
Investment grade corporate bonds	5,576	12.17	8.67
€113,000 Apple 0% 15/11/2025	92	0.20	
US\$295,000 Apple 3% 20/06/2027	225	0.49	
US\$213,000 Boston Properties 2.55% 01/04/2032	122	0.27	
US\$317,000 Boston Properties 4.5% 01/12/2028	229	0.50	
US\$174,000 HCA 5% 15/03/2024	142	0.31	
£1,289,000 Inter-American Development Bank 1.375% 15/12/2024	1,233	2.69	
US\$2,481,000 Inter-American Development Bank 4.375% 24/01/2044	1,759	3.84	

Portfolio statement

Investments (continued)

Holding		as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)				
United States (continued)				
Investment grade corporate bonds (continued)				
IDR4,310,000,000	Inter-American Development Bank 5.1% 17/11/2026	215	0.47	
BRL1,510,000	International Bank for Reconstruction & Development 0% 30/01/2024	241	0.52	
MXN12,180,000	International Bank for Reconstruction & Development 4.25% 22/01/2026	485	1.06	
BRL1,690,000	International Bank for Reconstruction & Development 5% 22/01/2026	251	0.55	
US\$373,000	Prologis 1.25% 15/10/2030	225	0.49	
US\$194,000	Xylem 1.95% 30/01/2028	136	0.30	
US\$346,000	Xylem 2.25% 30/01/2031	221	0.48	
	Below investment grade corporate bonds	439	0.96	1.69
US\$135,000	Ball 2.875% 15/08/2030	86	0.19	
US\$218,000	Ball 3.125% 15/09/2031	138	0.30	
US\$218,000	DaVita 3.75% 15/02/2031	129	0.28	
US\$135,000	DaVita 4.625% 01/06/2030	86	0.19	
	Chile	1,091	2.38	2.11
	Government bonds	1,091	2.38	2.11
€875,000	Chile (Republic of) 1.25% 29/01/2040	470	1.03	
CLP730,000,000	Chile (Republic of) 5% 01/10/2028	621	1.35	
	Colombia	235	0.51	0.81
	Government bonds	235	0.51	0.81
COP1,484,000,000	Colombia (Republic of) 7% 26/03/2031	235	0.51	
	Mexico	0	0.00	0.61
	Government bonds	0	0.00	0.61
	Peru	0	0.00	0.59
	Government bonds	0	0.00	0.59
	South Africa	0	0.00	0.49
	Government bonds	0	0.00	0.49
	Cayman Islands	0	0.00	0.45
	Investment grade corporate bonds	0	0.00	0.45

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
Debt derivatives	(574)	(1.25)	0.00
Interest rate futures	(574)	(1.25)	
49 US Ultra Bond Dec 2023	(574)	(1.25)	
Currency	17	0.04	0.08
Forward currency contracts	17	0.04	0.08
AU\$(775,039) Sold for £407,001 (expires 31.01.24)	1	0.00	
CA\$(308,585) Sold for £184,677 (expires 31.01.24)	1	0.00	
DKK(7,365,866) Sold for £863,995 (expires 31.01.24)	(3)	0.00	
€(9,213,981) Sold for £8,056,106 (expires 31.01.24)	(36)	(0.08)	
HK\$(6,671,445) Sold for £704,582 (expires 31.01.24)	4	0.01	
US\$(11,249,956) Sold for £9,279,005 (expires 31.01.24)	47	0.10	
US\$1,193,818 Bought for TWD38,180,069 (expires 31.01.24)	3	0.01	
Total portfolio	43,529	95.00	95.82
Net other assets/(liabilities)	2,290	5.00	4.18
Net assets attributable to shareholders	45,819	100.00	100.00

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

^a Suspended/delisted.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the year to 31 October 2023

Largest purchases	£'000
UK Treasury 0% 15/05/2023	4,543
UK Treasury 0% 15/01/2024	4,026
UK Treasury 0% 24/07/2023	3,856
UK Treasury 0% 10/07/2023	2,920
UK Treasury 0% 19/02/2024	2,242
UK Treasury 0% 04/09/2023	2,130
UK Treasury 0.875% 31/07/2033	1,743
UK Treasury 0% 04/12/2023	1,533
Inter-American Development Bank 1.375% 15/12/2024	1,228
UK Treasury 0% 22/01/2024	919
Other purchases	14,100
Total purchases	39,240

Largest sales	£'000
UK Treasury 0% 15/05/2023	4,568
UK Treasury 0% 24/07/2023	3,929
US Treasury 3% 15/02/2048	3,898
UK Treasury 0% 30/01/2023	3,668
UK Treasury 0% 10/07/2023	2,965
UK Treasury 0% 06/02/2023	2,919
UK Treasury 0% 04/09/2023	2,168
International Bank for Reconstruction & Development 0.5% 24/07/2023	939
US Treasury 3% 15/08/2052	559
UK Treasury 0% 20/11/2023	527
Other sales	7,613
Total sales	33,753

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+0.1	n/a	n/a	n/a
Class 'A' Accumulation	+0.1	n/a	n/a	n/a
Class 'I' Income	+0.4	n/a	n/a	n/a
Class 'I' Accumulation	+0.4	n/a	n/a	n/a
Class 'L' Accumulation	+0.6	n/a	n/a	n/a
Class 'PP' Income	+0.5	n/a	n/a	n/a
Class 'PP' Accumulation	+0.5	n/a	n/a	n/a
Class 'R' Income	+0.2	n/a	n/a	n/a
Class 'R' Accumulation	+0.2	n/a	n/a	n/a
Benchmark	+1.7	n/a	n/a	n/a

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	89.09	104.24	100.00
Return before operating charges	1.03	(11.58)	6.97
Operating charges	(1.04)	(1.14)	(0.97)
Return after operating charges	(0.01)	(12.72)	6.00
Distributions	(3.03)	(2.43)	(1.76)
Closing NAV	86.05	89.09	104.24
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	1.13	1.14	1.05
Return after charges	-0.01	-12.20	+6.00
Other information			
Closing NAV (£'000)	1,214	1,027	1,232
Number of shares	1,410,944	1,152,916	1,181,490
Highest share price (UK p)	95.99	106.89	106.35
Lowest share price (UK p)	86.54	87.65	98.58

Sterling Class 'A' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	92.95	106.03	100.00
Return before operating charges	0.93	(11.93)	7.00
Operating charges	(1.10)	(1.15)	(0.97)
Return after operating charges	(0.17)	(13.08)	6.03
Distributions	(2.17)	(1.42)	(0.84)
Retained distributions	2.17	1.42	0.84
Closing NAV	92.78	92.95	106.03
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	1.13	1.14	1.05
Return after charges	-0.18	-12.34	+6.03
Other information			
Closing NAV (£'000)	800	865	100
Number of shares	862,889	930,091	94,122
Highest share price (UK p)	100.91	108.72	107.63
Lowest share price (UK p)	92.47	90.83	98.75

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	89.76	104.58	100.00
Return before operating charges	0.94	(11.71)	6.90
Operating charges	(0.68)	(0.75)	(0.59)
Return after operating charges	0.26	(12.46)	6.31
Distributions	(2.98)	(2.36)	(1.73)
Closing NAV	87.04	89.76	104.58
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.73	0.74	0.65
Return after charges	+0.29	-11.91	+6.31
Other information			
Closing NAV (£'000)	229	194	163
Number of shares	262,955	216,229	155,875
Highest share price (UK p)	96.81	107.24	106.64
Lowest share price (UK p)	87.52	88.27	98.66

Sterling Class 'I' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.52	106.35	100.00
Return before operating charges	0.84	(12.07)	6.95
Operating charges	(0.72)	(0.76)	(0.60)
Return after operating charges	0.12	(12.83)	6.35
Distributions	(2.50)	(1.75)	(1.14)
Retained distributions	2.50	1.75	1.14
Closing NAV	93.64	93.52	106.35
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.73	0.74	0.65
Return after charges	+0.13	-12.06	+6.35
Other information			
Closing NAV (£'000)	2,488	1,912	1,197
Number of shares	2,656,832	2,044,978	1,125,782
Highest share price (UK p)	101.77	109.05	107.89
Lowest share price (UK p)	93.33	91.38	98.82

Financial highlights

Sterling Class 'L' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.80	106.49	100.00
Return before operating charges	0.79	(12.12)	6.91
Operating charges	(0.52)	(0.57)	(0.42)
Return after operating charges	0.27	(12.69)	6.49
Distributions	(2.67)	(1.93)	(1.29)
Retained distributions	2.67	1.93	1.29
Closing NAV	94.07	93.80	106.49
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.53	0.54	0.45
Return after charges	+0.29	-11.92	+6.49
Other information			
Closing NAV (£'000)	13,184	13,146	14,931
Number of shares	14,015,040	14,015,040	14,020,040
Highest share price (UK p)	102.19	109.21	108.01
Lowest share price (UK p)	93.75	91.65	98.86

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	89.93	104.67	100.00
Return before operating charges	0.93	(11.76)	6.89
Operating charges	(0.59)	(0.64)	(0.51)
Return after operating charges	0.34	(12.40)	6.38
Distributions	(2.97)	(2.34)	(1.71)
Closing NAV	87.30	89.93	104.67
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.63	0.64	0.55
Return after charges	+0.38	-11.85	+6.38
Other information			
Closing NAV (£'000)	173	181	21
Number of shares	198,045	201,198	20,060
Highest share price (UK p)	97.03	107.34	106.71
Lowest share price (UK p)	87.77	88.44	98.68

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.67	106.43	100.00
Return before operating charges	0.81	(12.10)	6.92
Operating charges	(0.62)	(0.66)	(0.49)
Return after operating charges	0.19	(12.76)	6.43
Distributions	(2.59)	(1.83)	(1.21)
Retained distributions	2.59	1.83	1.21
Closing NAV	93.86	93.67	106.43
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.63	0.64	0.55
Return after charges	+0.20	-11.99	+6.43
Other information			
Closing NAV (£'000)	26,276	22,161	3,534
Number of shares	27,993,230	23,658,650	3,320,741
Highest share price (UK p)	101.99	109.13	107.95
Lowest share price (UK p)	93.55	91.51	98.84

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	89.33	104.35	100.00
Return before operating charges	0.99	(11.63)	6.94
Operating charges	(0.90)	(0.99)	(0.83)
Return after operating charges	0.09	(12.62)	6.11
Distributions	(3.01)	(2.40)	(1.76)
Closing NAV	86.41	89.33	104.35
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.98	0.99	0.90
Return after charges	+0.10	-12.09	+6.11
Other information			
Closing NAV (£'000)	291	201	189
Number of shares	337,166	225,031	181,160
Highest share price (UK p)	96.29	107.01	106.45
Lowest share price (UK p)	86.90	87.88	98.61

Sterling Class 'R' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.16	106.14	100.00
Return before operating charges	0.89	(11.96)	6.97
Operating charges	(0.96)	(1.02)	(0.83)
Return after operating charges	(0.07)	(12.98)	6.14
Distributions	(2.29)	(1.55)	(0.95)
Retained distributions	2.29	1.55	0.95
Closing NAV	93.09	93.16	106.14
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.04	0.07
Dilution adjustments	(0.01)	(0.04)	(0.03)
Total direct transaction costs	0.01	0.00	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.05
Operating charges	0.98	0.99	0.90
Return after charges	-0.08	-12.23	+6.14
Other information			
Closing NAV (£'000)	1,164	1,096	958
Number of shares	1,249,955	1,176,112	903,007
Highest share price (UK p)	101.22	108.84	107.73
Lowest share price (UK p)	92.78	91.03	98.77

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Statement of total return

for the year to 31 October	Note	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		(1,388)		(5,414)
Revenue	5	1,677		932	
Expenses	6	(257)		(191)	
Interest payable and similar charges		(1)		0	
Net revenue/(expense) before taxation		1,419		741	
Taxation	7	(210)		(101)	
Net revenue/(expense) after taxation			1,209		640
Total return before distributions			(179)		(4,774)
Distributions	8		(1,227)		(656)
Change in net assets attributable to shareholders from investment activities			(1,406)		(5,430)

Statement of change in net assets attributable to shareholders

for the year to 31 October	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		40,783		22,325
Amounts received on issue of shares	6,236		23,678	
Amounts paid on cancellation of shares	(991)		(507)	
		5,245		23,171
Dilution adjustments		12		45
Change in net assets attributable to shareholders from investment activities (see above)		(1,406)		(5,430)
Retained distributions on Accumulation shares		1,185		672
Closing net assets attributable to shareholders		45,819		40,783

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Balance sheet

as at 31 October	Note	2023 £'000	2022 £'000
Assets			
Fixed assets			
Investments		44,142	39,120
Current assets			
Debtors	9	209	944
Cash and bank balances	10	2,259	1,491
Total assets		46,610	41,555
Liabilities			
Investment liabilities		(613)	(40)
Creditors			
Distribution payable		(17)	(11)
Other creditors	11	(161)	(721)
Total liabilities		(791)	(772)
Net assets attributable to shareholders		45,819	40,783

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Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2023 £'000	2022 £'000
Non-derivative securities	(996)	(3,080)
Derivative contracts	(408)	(2,451)
Currency gains/(losses)	16	117
Net capital gains/(losses)	(1,388)	(5,414)

Includes realised losses of £438,000 and unrealised losses of £950,000 (2022: realised losses of £2,726,000 and unrealised losses of £2,688,000). Certain realised gains and losses in the current year were unrealised in the prior year.

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4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments. Please refer to the 'Financial highlights' section for the effect of dilution adjustments.

for the year to 31 October	2023 £'000	% of transaction	2022 £'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	5,525		10,041	
Commissions	2	0.04	2	0.02
Taxes	4	0.08	11	0.11
Equities after transaction costs	5,531		10,054	
Debt securities	32,987		32,023	
Collective investment schemes				
Collective investment schemes before transaction costs	721		361	
Taxes	1	0.20	1	0.28
Collective investment schemes after transaction costs	722		362	
Other transaction types				
Corporate actions	0		43	
Total purchases after transaction costs	39,240		42,482	
b) Sales				
Equities				
Equities before transaction costs	5,290		1,071	
Commissions	(2)	0.04	0	0.04
Taxes	(1)	0.01	0	0.00
Equities after transaction costs	5,287		1,071	
Debt securities	28,466		19,882	
Total sales after transaction costs	33,753		20,953	
	2023 £'000	% of average NAV	2022 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	4	0.01	2	0.01
Taxes paid				
Equities	5	0.01	11	0.03
Collective investment schemes	1	0.00	1	0.00
Total taxes paid	6	0.01	12	0.03
Total direct portfolio transaction costs	10	0.02	14	0.04

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	%	%
d) Indirect portfolio transaction costs		
Average portfolio dealing spread as at the balance sheet date	0.21	0.29

5 Revenue

for the year to 31 October	2023 £'000	2022 £'000
Bank interest	12	3
Derivative revenue	7	0
Dividends from equity investments: non-taxable	653	490
Dividends from equity investments: taxable	3	0
Interest on debt securities	981	419
Property distribution: non-taxable	3	1
Property distribution: taxable	18	19
Total revenue	1,677	932

6 Expenses

for the year to 31 October	2023 £'000	2022 £'000
Payable to the ACD or associate		
Annual charge	257	191
Total expenses	257	191

Audit fees for the financial year ending 2023 were £12,000 (2022: £12,000) (including VAT), which are covered by the annual charge.

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7 Taxation

for the year to 31 October	2023 £'000	2022 £'000
a) Analysis of charge in the year		
Corporation tax	155	50
Withholding tax	59	53
Double taxation relief	(5)	(3)
Capital gains tax (US)	1	1
Deferred tax (note 7c)	0	0
Total taxation	210	101
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	1,419	741
Corporation tax at 20%	284	148
Effects of:		
Dividends from equity investments: non-taxable	(129)	(98)
Double taxation relief	(5)	(3)
Withholding tax	59	53
Capital gains tax (US)	1	1
Total tax charge (note 7a)	210	101
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	0	0

The fund has not recognised a deferred tax asset in the current financial year (2022: same).

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8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 October	2023		2022	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Dividend distributions				
First interim	10	194	7	79
Second interim	14	286	10	146
Third interim	20	384	14	250
Final	17	321	11	197
Total net distributions		1,246		714
Income deducted on cancellation of shares		4		0
Income received on issue of shares		(23)		(58)
Distributions		1,227		656
Net revenue/(expense) per statement of total return		1,209		640
Expenses offset against capital		18		16
Distributions		1,227		656

9 Debtors

as at 31 October	2023 £'000	2022 £'000
Amounts receivable on issues of shares	0	226
Currency deals outstanding	0	263
Debt security interest receivable	173	146
Dividends receivable	23	31
Sales awaiting settlement	0	270
Withholding tax recoverable	13	8
Total debtors	209	944

10 Cash and bank balances

as at 31 October	2023 £'000	2022 £'000
Amounts held at futures clearing houses and collateral manager	1,423	0
Cash held as bank balances	836	1,491
Total cash and bank balances	2,259	1,491

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11 Other creditors

as at 31 October	2023 £'000	2022 £'000
Amounts payable on cancellation of shares	0	1
Annual charge payable	11	9
Corporation tax payable	150	47
Currency deals outstanding	0	263
Purchases awaiting settlement	0	401
Total other creditors	161	721

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2022: same).

13 Shares in issue

The following table shows each class of share in issue during the year. Each share class has the same rights on winding up however they may have different charging structures as set out in note 14.

Share class	Opening 01.11.22	Issued	Movements Cancelled	Converted	Closing 31.10.23
Sterling					
Class 'A' Income	1,152,916	311,455	(53,427)	0	1,410,944
Class 'A' Accumulation	930,091	121,413	(188,615)	0	862,889
Class 'I' Income	216,229	54,012	(7,286)	0	262,955
Class 'I' Accumulation	2,044,978	796,229	(184,375)	0	2,656,832
Class 'L' Accumulation	14,015,040	0	0	0	14,015,040
Class 'PP' Income	201,198	0	(3,153)	0	198,045
Class 'PP' Accumulation	23,658,650	4,776,937	(442,357)	0	27,993,230
Class 'R' Income	225,031	128,013	(15,878)	0	337,166
Class 'R' Accumulation	1,176,112	190,730	(116,887)	0	1,249,955

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

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14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.05
Class 'I'	0.65
Class 'L'	0.45
Class 'PP'	0.55
Class 'R'	0.90

15 Related parties

M&G Securities Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal on all the transactions of shares in the fund except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to shareholders' and note 8. Amounts due to/from M&G Securities Limited in respect of share transactions at the year end are disclosed in notes 9 and 11 where applicable.

Amounts paid to M&G Securities Limited in respect of the annual charge are disclosed in note 6. Amounts due at the year end in respect of the annual charge are disclosed in note 11.

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 28.58% (2022: 32.10%) of the fund's shares.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

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Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 October	Assets 2023 £'000	Liabilities 2023 £'000	Assets 2022 £'000	Liabilities 2022 £'000
Level 1	31,235	(574)	29,585	0
Level 2	12,796	(39)	9,535	(40)
Level 3	111	0	0	0
	44,142	(613)	39,120	(40)

Home REIT was suspended in the period and has been transferred from Level 1 to Level 3. Home REIT is held at a discount to estimated NAV.

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

18 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

The VaR limit set during the financial year to 31 October 2023 was 20% (2022: 20%).

The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2023 and 31 October 2022.

for the year to 31 October	2023 % of VaR	2023 Utilisation of VaR 20%	2022 % of VaR	2022 Utilisation of VaR 20%
Lowest	4.41	22.05	3.64	18.20
Highest	5.76	28.80	5.51	27.55
Average	5.01	25.05	4.56	22.78

19 Credit risk

The fund is exposed to credit risk through the credit quality of the investments it holds. The table below shows the credit quality of the investments held in the portfolio.

as at 31 October	2023 £'000	2022 £'000
Investment grade securities	23,821	18,764
Below investment grade securities	1,387	1,730
Other investments	18,321	18,586
Total	43,529	39,080

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The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(574)
Citigroup	1	0
State Street Bank	(36)	0
UBS	52	0
Total	17	(574)

as at 31 October 2022	Forward currency contracts £'000
HSBC	32
JPMorgan	30
State Street Bank	4
UBS	(31)
Total	35

20 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2023 and 31 October 2022 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2023 £'000	2023 %	2022 £'000	2022 %
Lowest	56,414	135.00	22,587	136.00
Highest	121,243	260.00	41,829	298.00
Average	71,649	155.12	34,434	157.61

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21 Dividend distribution tables

This fund pays quarterly ordinary distributions and the following table sets out the distribution periods.

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.11.22	31.01.23	01.02.23	31.03.23
Second interim	01.02.23	30.04.23	02.05.23	30.06.23
Third interim	01.05.23	31.07.23	01.08.23	30.09.23
Final	01.08.23	31.10.23	01.11.23	31.12.23

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares.

Group 1 shares are those purchased prior to a distribution period and therefore their income rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
First interim	0.1427	0.4246	0.5673	0.4462
Second interim	0.3727	0.3690	0.7417	0.5908
Third interim	0.6494	0.2860	0.9354	0.7821
Final	0.3493	0.4317	0.7810	0.6106

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
First interim	0.3350	0.0022	0.3372	0.1783
Second interim	0.2013	0.3312	0.5325	0.3339
Third interim	0.1825	0.5391	0.7216	0.5406
Final	0.0487	0.5307	0.5794	0.3636

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Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.4630	0.0903	0.5533	0.4341
Second interim	0.5510	0.1804	0.7314	0.5665
Third interim	0.6822	0.2417	0.9239	0.7669
Final	0.2667	0.5047	0.7714	0.5886

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.2342	0.1833	0.4175	0.2693
Second interim	0.3759	0.2372	0.6131	0.4155
Third interim	0.1315	0.6770	0.8085	0.6213
Final	0.2602	0.4027	0.6629	0.4486

Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.4580	0.0000	0.4580	0.3095
Second interim	0.6537	0.0000	0.6537	0.4564
Third interim	0.8523	0.0000	0.8523	0.6656
Final	0.7053	0.0000	0.7053	0.4967

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.1568	0.3928	0.5496	0.4299
Second interim	0.3990	0.3303	0.7293	0.5619
Third interim	0.4045	0.5164	0.9209	0.7630
Final	0.2405	0.5280	0.7685	0.5842

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Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.1754	0.2625	0.4379	0.2898
Second interim	0.3276	0.3057	0.6333	0.4360
Third interim	0.2958	0.5347	0.8305	0.6434
Final	0.3529	0.3312	0.6841	0.4649

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.3040	0.2579	0.5619	0.4463
Second interim	0.4419	0.2958	0.7377	0.5770
Third interim	0.6722	0.2586	0.9308	0.7761
Final	0.6814	0.0960	0.7774	0.6049

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.0949	0.2723	0.3672	0.2072
Second interim	0.1461	0.4164	0.5625	0.3642
Third interim	0.4427	0.3113	0.7540	0.5754
Final	0.4035	0.2069	0.6104	0.4003

22 Events after the balance sheet date

There were no events after the balance sheet date to disclose.

Authorised Corporate Director's Report

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

Investment objective

The fund has two aims:

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

Investment policy

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

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

The fund aims to exclude securities issued by:

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

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

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

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

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

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

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

Authorised Corporate Director's Report

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

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

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

Investment approach

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

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

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

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

Benchmark

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

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

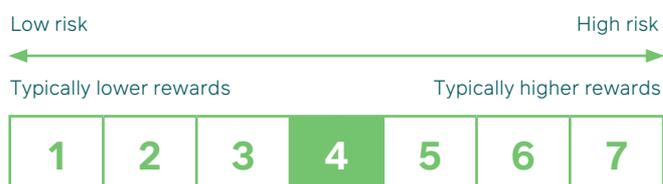
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund within the constraints set by the fund's objective and investment policy.

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

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 14.

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the year ended 31 October 2023

Volatility against objective

It is not yet possible to measure the fund's volatility (the degree to which the price varies) against its five-year volatility objective, which is to limit average volatility to 9% per annum while providing a combination of capital growth and income over any five-year period, because the fund was only launched on 8 December 2020.

Volatility over a shorter period is not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's investment objective.

Currently, annualised volatility is sitting at around 6.2%, below the 9% limit

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	9.0	6.2

Performance against objective

Between 1 November 2022 (the start of the review period) and 31 October 2023, the M&G Sustainable Multi Asset Cautious Fund delivered a negative total return (the combination of income and growth of capital) across all its share classes. Performance was behind that of the benchmark, the IA Mixed Investment 0-35% Shares Sector, which produced a return of 0.9% over the same period. The fund's performance against its objective cannot be assessed as the fund launched less than five years ago.

Performance review

The strength of the investment returns across many asset classes during early part of 2023 took observers by surprise given the plethora of gloomy economic forecasts that spilled over from 2022, a period that saw many asset prices suffer under the weight of soaring global inflation and aggressive interest rate hikes.

However, the performance of many financial markets tailed off from July 2023 onwards as investors began to anticipate 'higher-for-longer' interest rate policy from leading central banks. This shift in policy outlook was

partly driven by surprisingly robust economic performance among the major economies, but particularly the underlying strength of the US labour market and its wider economy. These factors aided a surge in developed market government bond yields, and a re-pricing of risk across other asset classes, particularly in the third quarter of 2023 as US and other leading government bond markets fell sharply in value.

Despite being in positive performance territory for much of the period, the fund slightly declined in value over the 12-month review period. Multi-asset strategies generally struggled against periods of correlated losses across equity and bond markets. The fund's significant exposure to long-dated US government bonds and other developed market government bonds (including several green sovereign bonds) was a drag on returns given the jump in yields. This soured what was otherwise a positive period for the fund, which had seen the fund's equity allocation (and notably its basket of technology equities) and its corporate bonds exposure enjoy a period of good performance.

Towards the end of the period, the fund suffered from some stock-specific weakness among its positive impact holdings due to the high interest rate environment. During this phase, some of the largest detractors were solar panel parts manufacturer SolarEdge Technologies, semiconductor supplier onsemi and genetic-sequencing specialist Illumina. The fund also experienced a negative performance contribution from its listed infrastructure exposure, including names such as Greencoat Renewables. As at 31 October 2023, the MSCI ESG score for the fund was 7.0, equivalent to an MSCI ESG rating of A. The fund continues to hold a significant amount of exposure (46.3%) to positive impact assets. These holdings aim to generate a positive social and/or environmental impact, alongside a financial return.

Investment activities

The fund has been cautiously positioned for most of the period, maintaining a healthy cash position in order to respond to tactical opportunities and absorb market drawdowns. While this stance has cost us at times, particularly given the performance resilience displayed

Authorised Corporate Director's Report

by most risk markets over the first half of the year, we felt it was the most prudent approach given the unprecedented levels of repricing we have seen in government bond markets as several leading economies digested policy rates above 5% for the first time in decades.

We sought to maximise the sustainability characteristics in the portfolio and have carried out portfolio rebalancing when we've identified concerns. For example, the fund reduced some Asian and Japanese equity exposure following some notable ESG downgrades at the start of the year.

In April, we added to our sovereign green bond holdings with bond issues from the UK, Italy and Germany; diversifying our overall exposure both in terms of maturities and currency. We also reduced equity risk by carrying out some switches into lower-risk names following the resilient performance shown by many equity markets since the start of the year. We felt that, up to that point, markets had seemingly turned a blind eye to global economic risks and rising uncertainty in the US banks sector given the collapse of regional lender Silicon Valley Bank earlier this year.

The strength of the rally in Japanese equities left valuations less attractive relative to markets in Europe and the UK, in our view, and we removed our overweight exposure to the country across the sustainable multi asset funds in June. At the same time, we scaled back exposure to emerging market sovereign bonds after some good performance, while maintaining an overweight position to the asset class across the fund range. Specifically, we reduced a position in Colombian sovereign green bonds.

We added to UK bonds again as gilt yields continued to move higher. Despite the tougher inflationary environment in the UK, we felt it was prudent to add exposure given how susceptible the UK consumers and businesses could be to tighter financial conditions. Finally, we decided to cut equity exposure in October to reduce overall portfolio risk. We mainly targeted European banks and financials, selling out of some names entirely and moving proceeds to cash.

Outlook

The foundation of our multi-asset approach is to look for opportunities at the intersection of compelling asset class valuations and behavioural biases entering the market. In the current environment, that means supportive valuations in government bond markets need to be weighed against the range of growth/inflation outcomes that are priced in, and reasonable valuations in equities against the prospect for corporate earnings.

Given the emerging signs of weaker household and business finances in the US and the already soft economic activity data in Europe, we feel it is prudent to maintain our cautious stance in the portfolio for now, particularly around equities. However, the fund remains fully invested across a variety of asset classes and can benefit, we believe, from a period of renewed resilience in risk markets and/or an environment where a disinflationary impulse becomes more prevalent.

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We continue to wholeheartedly believe in the underlying structural drivers that support the sustainable investment universe, and are excited by the prospects of several areas of focus for the fund range, including renewable energy infrastructure, supranational bonds and green bonds. In the listed green infrastructure space, for example, we have recently held several reassuring meetings with some of the businesses we own. Many of these investments trade at significant discounts to their net asset value, making the medium to long-term investment opportunity potentially even more attractive, in our view. Despite a difficult 2023 for some of these assets as interest rates have risen, we remain optimistic for the future, particularly if the outlook for rates continues to stabilise.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities	8,193	22.37	28.60
United Kingdom	1,490	4.07	5.22
UK equities	1,490	4.07	5.22
3,574 Bank of Georgia	121	0.33	
36,777 DS Smith	106	0.29	
361,950 Greencoat UK Wind	492	1.34	
463,146 Home REIT ^a	66	0.18	
48,694 Marks & Spencer	106	0.29	
549,598 Octopus Renewables Infrastructure Trust	478	1.31	
9,253 Segro REIT	66	0.18	
7,821 WPP	55	0.15	
Belgium	0	0.00	0.20
Belgian equities	0	0.00	0.20
Denmark	364	0.99	0.96
Danish equities	364	0.99	0.96
5,022 ALK-Abelló	46	0.13	
1,658 Novo Nordisk	133	0.36	
2,285 Ørsted	92	0.25	
519 Rockwool	93	0.25	
France	336	0.92	1.46
French equities	336	0.92	1.46
510 Capgemini	73	0.20	
1,714 Danone	85	0.23	
236 L'Oréal	82	0.23	
758 Schneider Electric	96	0.26	
Germany	235	0.64	0.82
German equities	235	0.64	0.82
231 Allianz	45	0.12	
813 Bayerische Motoren Werke	62	0.17	
1,915 Fresenius Medical Care	53	0.14	
684 SAP	75	0.21	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
Guernsey	466	1.27	1.01
Guernsey equities	466	1.27	1.01
457,147 Renewables Infrastructure	466	1.27	
Ireland	442	1.21	1.47
Irish equities	442	1.21	1.47
580,058 Greencoat Renewables ^b	442	1.21	
Italy	147	0.40	0.41
Italian equities	147	0.40	0.41
4,068 Assicurazioni Generali	67	0.18	
12,575 Terna	80	0.22	
Netherlands	85	0.23	0.23
Dutch equities	85	0.23	0.23
8,065 ING	85	0.23	
Spain	317	0.87	1.02
Spanish equities	317	0.87	1.02
1,306 Amadeus IT	62	0.17	
11,020 Grifols	103	0.28	
47,560 Telefónica	152	0.42	
United States	2,604	7.11	9.39
US equities	2,604	7.11	9.39
1,379 Agilent Technologies	115	0.31	
1,055 Alphabet	108	0.29	
835 American Express	98	0.27	
2,606 AMERISAFE	108	0.29	
356 Ansys	81	0.22	
624 Apple	87	0.24	
3,020 Ball	119	0.33	
3,891 Bank of New York Mellon	135	0.37	
1,812 Bright Horizons Family Solutions	110	0.30	
1,125 CBRE	62	0.17	
2,378 Cisco Systems	101	0.28	
5,186 Hannon Armstrong Sustainable Infrastructure Capital REIT	72	0.20	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
United States (continued)			
US equities (continued)			
585 Illumina	52	0.14	
3,125 Intel	92	0.25	
2,210 Johnson Controls International	87	0.24	
1,476 Kellanova	61	0.17	
171 Lam Research	82	0.22	
405 Microsoft	113	0.31	
1,532 onsemi	82	0.22	
674 PNC Financial Services	62	0.17	
545 Procter & Gamble	67	0.18	
883 Quest Diagnostics	94	0.26	
757 Republic Services	92	0.25	
589 SolarEdge Technologies	37	0.10	
219 Thermo Fisher Scientific	79	0.22	
261 UnitedHealth	114	0.31	
3,973 Verizon Communications	113	0.31	
363 Visa	70	0.19	
369 WK Kellogg	3	0.01	
1,395 Xylem	108	0.29	
Canada	65	0.18	0.36
Canadian equities	65	0.18	0.36
4,179 Boralex	65	0.18	
Brazil	184	0.50	0.70
Brazilian equities	184	0.50	0.70
54,221 AES Brasil Energia	89	0.24	
244,501 Cogna Educação	95	0.26	
Japan	372	1.02	1.92
Japanese equities	372	1.02	1.92
2,200 Dai-ichi Life	38	0.10	
600 Hitachi	31	0.09	
2,000 Horiba	83	0.23	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
Japan (continued)			
Japanese equities (continued)			
7,600 Katitas	84	0.23	
5,100 Panasonic	37	0.10	
600 Sony	41	0.11	
2,600 Takeda Pharmaceutical	58	0.16	
Australia	195	0.53	0.61
Australian equities	195	0.53	0.61
13,326 Brambles	91	0.25	
822 Cochlear	104	0.28	
Hong Kong	307	0.84	0.86
Hong Kong equities	307	0.84	0.86
18,600 AIA	133	0.36	
90,000 Lenovo	86	0.24	
55,000 Swire Properties	88	0.24	
India	100	0.27	0.40
Indian equities	100	0.27	0.40
2,126 HDFC Bank ADR	100	0.27	
South Korea	85	0.23	0.47
South Korean equities	85	0.23	0.47
2,094 Samsung Electronics	85	0.23	
Taiwan	304	0.83	0.88
Taiwanese equities	304	0.83	0.88
25,000 ASE Technology	72	0.20	
73,733 Cathay Financial	82	0.22	
116,164 E.Sun Financial	70	0.19	
6,000 Taiwan Semiconductor Manufacturing	80	0.22	
South Africa	95	0.26	0.21
South African equities	95	0.26	0.21
33,277 Sanlam	95	0.26	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income	24,561	67.06	67.35
United Kingdom	12,145	33.16	16.15
Government bonds	11,760	32.11	15.66
£1,686,545 UK Treasury 0% 20/11/2023	1,682	4.59	
£340,000 UK Treasury 0% 04/12/2023	338	0.92	
£1,916,000 UK Treasury 0% 15/01/2024	1,895	5.17	
£553,000 UK Treasury 0% 22/01/2024	546	1.49	
£608,000 UK Treasury 0% 05/02/2024	599	1.64	
£1,456,000 UK Treasury 0% 19/02/2024	1,433	3.91	
£368,000 UK Treasury 0% 04/03/2024	361	0.99	
£2,885,000 UK Treasury 0% 02/04/2024	2,821	7.70	
£1,959,255 UK Treasury 0.875% 31/07/2033	1,405	3.84	
£1,444,999 UK Treasury 1.5% 31/07/2053	680	1.86	
Investment grade corporate bonds	385	1.05	0.49
IDR3,920,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	186	0.51	
€248,000 Vodafone 0.9% 24/11/2026	199	0.54	
Belgium	160	0.44	0.00
Investment grade corporate bonds	160	0.44	0.00
€200,000 KBC Var. Rate 0.25% 01/03/2027	160	0.44	
France	947	2.59	1.86
Investment grade corporate bonds	749	2.05	1.30
US\$345,000 EDF 3.625% 13/10/2025	272	0.74	
€200,000 Société Générale Var. Rate 0.875% 22/09/2028	152	0.42	
€137,000 Unibail-Rodamco-Westfield 1% 14/03/2025	115	0.32	
€242,000 Unibail-Rodamco-Westfield 2.5% 26/02/2024	210	0.57	
Below investment grade corporate bonds	198	0.54	0.56
€244,000 Renault 1% 28/11/2025	198	0.54	
Germany	1,027	2.80	1.48
Government bonds	495	1.35	0.00
€673,488 Germany (Federal Republic of) 0% 15/08/2030	495	1.35	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
Germany (continued)			
Investment grade corporate bonds	384	1.05	1.48
€362,000 Mercedes-Benz 0.75% 10/09/2030	257	0.70	
€194,000 Mercedes-Benz 0.75% 11/03/2033	127	0.35	
Below investment grade corporate bonds	148	0.40	0.00
€200,000 ZF Finance 2.25% 03/05/2028	148	0.40	
Italy			
Government bonds	228	0.62	0.00
€279,000 Italy (Republic of) 4% 30/04/2035	228	0.62	
Investment grade corporate bonds	191	0.52	0.78
€218,000 Intesa Sanpaolo 4.75% 06/09/2027	191	0.52	
Luxembourg			
Investment grade corporate bonds	2,041	5.57	4.47
ZAR24,060,000 European Investment Bank 0% 18/10/2032	425	1.16	
£1,692,000 European Investment Bank 0.75% 15/11/2024	1,616	4.41	
Netherlands			
Investment grade corporate bonds	158	0.43	0.77
€200,000 ING 2.5% 15/11/2030	158	0.43	
Portugal			
Investment grade corporate bonds	433	1.18	0.66
€300,000 EDP - Energias de Portugal 1.625% 15/04/2027	242	0.66	
€241,000 EDP Finance 0.375% 16/09/2026	191	0.52	
Sweden			
Investment grade corporate bonds	154	0.42	0.00
€196,000 Swedbank Var. Rate 0.3% 20/05/2027	154	0.42	
Below investment grade corporate bonds	394	1.08	1.56
€255,000 Volvo Car 2.5% 07/10/2027	202	0.55	
€231,000 Volvo Car 4.25% 31/05/2028	192	0.53	
United States			
Government bonds	0	0.00	15.84
Investment grade corporate bonds	5,562	15.19	12.54
€100,000 Apple 0% 15/11/2025	81	0.22	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
United States (continued)			
Investment grade corporate bonds (continued)			
US\$350,000 Apple 3% 20/06/2027	267	0.73	
US\$204,000 Boston Properties 2.55% 01/04/2032	117	0.32	
US\$363,000 Boston Properties 4.5% 01/12/2028	262	0.72	
US\$248,000 HCA 5% 15/03/2024	203	0.55	
£1,274,000 Inter-American Development Bank 1.375% 15/12/2024	1,219	3.33	
US\$2,487,000 Inter-American Development Bank 4.375% 24/01/2044	1,763	4.81	
IDR3,720,000,000 Inter-American Development Bank 5.1% 17/11/2026	186	0.51	
BRL1,380,000 International Bank for Reconstruction & Development 0% 30/01/2024	220	0.60	
MXN10,150,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	404	1.10	
BRL1,320,000 International Bank for Reconstruction & Development 5% 22/01/2026	196	0.54	
US\$429,000 Prologis 1.25% 15/10/2030	258	0.71	
US\$188,000 Xylem 1.95% 30/01/2028	132	0.36	
US\$397,000 Xylem 2.25% 30/01/2031	254	0.69	
Below investment grade corporate bonds	503	1.37	3.44
US\$81,000 Ball 2.875% 15/08/2030	52	0.14	
US\$301,000 Ball 3.125% 15/09/2031	190	0.52	
US\$309,000 DaVita 3.75% 15/02/2031	182	0.50	
US\$123,000 DaVita 4.625% 01/06/2030	79	0.21	
Chile	967	2.64	3.44
Government bonds	967	2.64	3.44
€890,000 Chile (Republic of) 1.25% 29/01/2040	478	1.30	
CLP575,000,000 Chile (Republic of) 5% 01/10/2028	489	1.34	
Colombia	237	0.65	1.20
Government bonds	237	0.65	1.20
COP1,498,700,000 Colombia (Republic of) 7% 26/03/2031	237	0.65	
Mexico	0	0.00	0.87
Government bonds	0	0.00	0.87

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
Peru	0	0.00	0.85
Government bonds	0	0.00	0.85
South Africa	0	0.00	0.71
Government bonds	0	0.00	0.71
Cayman Islands	0	0.00	0.73
Investment grade corporate bonds	0	0.00	0.73
Debt derivatives	(586)	(1.60)	0.00
Interest rate futures	(586)	(1.60)	
50 US Ultra Bond Dec 2023	(586)	(1.60)	
Fixed income portfolios	1,642	4.48	0.00
Other	1,642	4.48	0.00
413,084 iShares EUR Corporate Bond ESG ETF	1,642	4.48	
Currency	(5)	(0.01)	0.02
Forward currency contracts	(5)	(0.01)	0.02
AU\$(270,129) Sold for £141,854 (expires 31.01.24)	0	0.00	
CA\$(72,635) Sold for £43,469 (expires 31.01.24)	0	0.00	
DKK(3,225,722) Sold for £378,368 (expires 31.01.24)	(1)	0.00	
€(8,433,752) Sold for £7,373,924 (expires 31.01.24)	(33)	(0.09)	
HK\$(2,338,804) Sold for £247,005 (expires 31.01.24)	1	0.00	
US\$(6,346,985) Sold for £5,235,132 (expires 31.01.24)	27	0.08	
US\$278,226 Bought for TWD8,898,092 (expires 31.01.24)	1	0.00	
Total portfolio	34,391	93.90	95.97
Net other assets/(liabilities)	2,236	6.10	4.03
Net assets attributable to shareholders	36,627	100.00	100.00

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

^a Suspended.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the year to 31 October 2023

Largest purchases	£'000
UK Treasury 0% 15/05/2023	3,993
UK Treasury 0% 02/04/2024	2,813
UK Treasury 0% 24/07/2023	2,669
UK Treasury 0% 15/01/2024	1,864
UK Treasury 0% 16/10/2023	1,797
UK Treasury 0% 20/11/2023	1,649
iShares EUR Corporate Bond ESG ETF	1,627
UK Treasury 0% 10/07/2023	1,581
UK Treasury 0.875% 31/07/2033	1,438
UK Treasury 0% 19/02/2024	1,418
Other purchases	14,699
Total purchases	35,548

Largest sales	£'000
UK Treasury 0% 15/05/2023	4,029
US Treasury 3% 15/02/2048	3,797
UK Treasury 0% 24/07/2023	2,716
UK Treasury 0% 30/01/2023	2,013
UK Treasury 0% 16/10/2023	1,832
UK Treasury 0% 10/07/2023	1,605
UK Treasury 0% 06/02/2023	1,581
UK Treasury 0% 04/09/2023	908
International Bank for Reconstruction & Development 0.5% 24/07/2023	752
South Africa (Republic of) 6.25% 31/03/2036	242
Other sales	3,400
Total sales	22,875

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	-1.0	n/a	n/a	n/a
Class 'A' Accumulation	-0.9	n/a	n/a	n/a
Class 'I' Income	-0.6	n/a	n/a	n/a
Class 'I' Accumulation	-0.6	n/a	n/a	n/a
Class 'L' Accumulation	-0.5	n/a	n/a	n/a
Class 'PP' Income	-0.6	n/a	n/a	n/a
Class 'PP' Accumulation	-0.5	n/a	n/a	n/a
Class 'R' Income	-0.8	n/a	n/a	n/a
Class 'R' Accumulation	-0.8	n/a	n/a	n/a
Benchmark	+0.9	n/a	n/a	n/a

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	83.78	98.94	100.00
Return before operating charges	0.20	(11.90)	1.54
Operating charges	(0.97)	(1.07)	(0.93)
Return after operating charges	(0.77)	(12.97)	0.61
Distributions	(2.85)	(2.19)	(1.67)
Closing NAV	80.16	83.78	98.94
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.04
Dilution adjustments	(0.02)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	1.11	1.13	1.05
Return after charges	-0.92	-13.11	+0.61
Other information			
Closing NAV (£'000)	257	298	345
Number of shares	321,184	355,602	348,300
Highest share price (UK p)	89.38	101.44	101.56
Lowest share price (UK p)	80.41	82.95	95.73

Sterling Class 'A' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	87.28	100.61	100.00
Return before operating charges	0.08	(12.25)	1.55
Operating charges	(1.02)	(1.08)	(0.94)
Return after operating charges	(0.94)	(13.33)	0.61
Distributions	(2.06)	(1.23)	(0.74)
Retained distributions	2.06	1.23	0.74
Closing NAV	86.34	87.28	100.61
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.04
Dilution adjustments	(0.02)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	1.11	1.13	1.05
Return after charges	-1.08	-13.25	+0.61
Other information			
Closing NAV (£'000)	299	237	46
Number of shares	346,122	271,812	45,695
Highest share price (UK p)	93.70	103.16	102.76
Lowest share price (UK p)	85.80	85.83	95.90

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	84.42	99.29	100.00
Return before operating charges	0.12	(12.06)	1.47
Operating charges	(0.63)	(0.69)	(0.58)
Return after operating charges	(0.51)	(12.75)	0.89
Distributions	(2.81)	(2.12)	(1.60)
Closing NAV	81.10	84.42	99.29
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.04
Dilution adjustments	(0.02)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.71	0.73	0.65
Return after charges	-0.60	-12.84	+0.89
Other information			
Closing NAV (£'000)	54	50	20
Number of shares	66,726	58,867	20,030
Highest share price (UK p)	90.16	101.81	101.85
Lowest share price (UK p)	81.33	83.56	95.82

Sterling Class 'I' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	87.81	100.90	100.00
Return before operating charges	(0.01)	(12.37)	1.48
Operating charges	(0.66)	(0.72)	(0.58)
Return after operating charges	(0.67)	(13.09)	0.90
Distributions	(2.36)	(1.55)	(1.03)
Retained distributions	2.36	1.55	1.03
Closing NAV	87.14	87.81	100.90
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.04
Dilution adjustments	(0.02)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.71	0.73	0.65
Return after charges	-0.76	-12.97	+0.90
Other information			
Closing NAV (£'000)	593	440	305
Number of shares	680,266	501,153	302,429
Highest share price (UK p)	94.35	103.46	103.00
Lowest share price (UK p)	86.59	86.34	95.99

Financial highlights

Sterling Class 'L' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	88.08	101.05	100.00
Return before operating charges	(0.05)	(12.44)	1.45
Operating charges	(0.48)	(0.53)	(0.40)
Return after operating charges	(0.53)	(12.97)	1.05
Distributions	(2.52)	(1.71)	(1.18)
Retained distributions	2.52	1.71	1.18
Closing NAV	87.55	88.08	101.05
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.04
Dilution adjustments	(0.02)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.51	0.53	0.45
Return after charges	-0.60	-12.84	+1.05
Other information			
Closing NAV (£'000)	12,271	12,345	14,168
Number of shares	14,016,040	14,016,040	14,020,040
Highest share price (UK p)	94.68	103.62	103.13
Lowest share price (UK p)	87.00	86.61	96.03

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	84.58	99.38	100.00
Return before operating charges	0.10	(12.09)	1.45
Operating charges	(0.54)	(0.60)	(0.49)
Return after operating charges	(0.44)	(12.69)	0.96
Distributions	(2.80)	(2.11)	(1.58)
Closing NAV	81.34	84.58	99.38
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.04
Dilution adjustments	(0.02)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.61	0.63	0.55
Return after charges	-0.52	-12.77	+0.96
Other information			
Closing NAV (£'000)	125	56	20
Number of shares	153,611	66,848	20,060
Highest share price (UK p)	90.35	101.91	101.92
Lowest share price (UK p)	81.56	83.71	95.85

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	87.95	100.98	100.00
Return before operating charges	(0.02)	(12.42)	1.45
Operating charges	(0.57)	(0.61)	(0.47)
Return after operating charges	(0.59)	(13.03)	0.98
Distributions	(2.44)	(1.63)	(1.10)
Retained distributions	2.44	1.63	1.10
Closing NAV	87.36	87.95	100.98
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.04
Dilution adjustments	(0.02)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.61	0.63	0.55
Return after charges	-0.67	-12.90	+0.98
Other information			
Closing NAV (£'000)	22,747	10,068	1,543
Number of shares	26,039,447	11,447,392	1,527,770
Highest share price (UK p)	94.53	103.54	103.06
Lowest share price (UK p)	86.80	86.47	96.01

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	84.02	99.07	100.00
Return before operating charges	0.17	(11.96)	1.51
Operating charges	(0.84)	(0.93)	(0.79)
Return after operating charges	(0.67)	(12.89)	0.72
Distributions	(2.84)	(2.16)	(1.65)
Closing NAV	80.51	84.02	99.07
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.04
Dilution adjustments	(0.02)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.96	0.98	0.90
Return after charges	-0.80	-13.01	+0.72
Other information			
Closing NAV (£'000)	74	74	71
Number of shares	91,944	88,128	71,297
Highest share price (UK p)	89.66	101.58	101.66
Lowest share price (UK p)	80.75	83.18	95.76

Sterling Class 'R' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	87.48	100.73	100.00
Return before operating charges	0.06	(12.30)	1.53
Operating charges	(0.89)	(0.95)	(0.80)
Return after operating charges	(0.83)	(13.25)	0.73
Distributions	(2.17)	(1.35)	(0.86)
Retained distributions	2.17	1.35	0.86
Closing NAV	86.65	87.48	100.73
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.02	0.04
Dilution adjustments	(0.02)	(0.02)	(0.01)
Total direct transaction costs	0.00	0.00	0.03
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.04
Operating charges	0.96	0.98	0.90
Return after charges	-0.95	-13.15	+0.73
Other information			
Closing NAV (£'000)	207	168	136
Number of shares	238,917	191,602	135,434
Highest share price (UK p)	93.95	103.28	102.85
Lowest share price (UK p)	86.10	86.02	95.93

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 October	Note	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		(1,610)		(3,387)
Revenue	5	1,150		540	
Expenses	6	(159)		(106)	
Interest payable and similar charges		(1)		0	
Net revenue/(expense) before taxation		990		434	
Taxation	7	(164)		(69)	
Net revenue/(expense) after taxation			826		365
Total return before distributions			(784)		(3,022)
Distributions	8		(830)		(370)
Change in net assets attributable to shareholders from investment activities			(1,614)		(3,392)

Statement of change in net assets attributable to shareholders

for the year to 31 October	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		23,736		16,653
Amounts received on issue of shares	13,865		10,261	
Amounts paid on cancellation of shares	(256)		(188)	
		13,609		10,073
Dilution adjustments		30		20
Change in net assets attributable to shareholders from investment activities (see above)		(1,614)		(3,392)
Retained distributions on Accumulation shares		866		382
Closing net assets attributable to shareholders		36,627		23,736

Financial statements and notes

Financial statements

Balance sheet

as at 31 October	Note	2023 £'000	2022 £'000
Assets			
Fixed assets			
Investments		35,011	22,804
Current assets			
Debtors	9	315	294
Cash and bank balances	10	2,077	1,003
Total assets		37,403	24,101
Liabilities			
Investment liabilities		(620)	(24)
Creditors			
Distribution payable		(5)	(3)
Other creditors	11	(151)	(338)
Total liabilities		(776)	(365)
Net assets attributable to shareholders		36,627	23,736

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2023 £'000	2022 £'000
Non-derivative securities	(928)	(1,855)
Derivative contracts	(680)	(1,616)
Currency gains/(losses)	(2)	84
Net capital gains/(losses)	(1,610)	(3,387)

Includes realised losses of £1,022,000 and unrealised losses of £588,000 (2022: realised losses of £1,858,000 and unrealised losses of £1,529,000). Certain realised gains and losses in the current year were unrealised in the prior year.

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments. Please refer to the 'Financial highlights' section for the effect of dilution adjustments.

for the year to 31 October	2023 £'000	% of transaction	2022 £'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	2,822		2,444	
Commissions	1	0.03	1	0.04
Taxes	3	0.10	3	0.12
Equities after transaction costs	2,826		2,448	
Debt securities	30,499		18,702	
Collective investment schemes				
Collective investment schemes before transaction costs	2,221		129	
Commissions	1	0.03	0	0.02
Taxes	1	0.06	0	0.18
Collective investment schemes after transaction costs	2,223		129	
Other transaction types				
Corporate actions	0		11	
Total purchases after transaction costs	35,548		21,279	
b) Sales				
Equities				
Equities before transaction costs	1,408		383	
Commissions	(1)	0.05	0	0.03
Equities after transaction costs	1,407		383	
Debt securities	21,468		12,563	
Total sales after transaction costs	22,875		12,946	

Financial statements and notes

	2023 £'000	% of average NAV	2022 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	2	0.01	1	0.00
Collective investment schemes	1	0.00	0	0.00
Total commissions paid	3	0.01	1	0.00
Taxes paid				
Equities	3	0.01	3	0.00
Collective investment schemes	1	0.00	0	0.00
Total taxes paid	4	0.01	3	0.00
Total direct portfolio transaction costs	7	0.02	4	0.00
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.24		0.40

5 Revenue

for the year to 31 October	2023 £'000	2022 £'000
Bank interest	7	2
Derivative revenue	6	0
Distributions from collective investment schemes: taxable	10	0
Dividends from equity investments: non-taxable	261	179
Dividends from equity investments: taxable	3	0
Interest on debt securities	852	350
Property distribution: non-taxable	1	0
Property distribution: taxable	9	9
Rebate of ongoing charges from underlying funds	1	0
Total revenue	1,150	540

6 Expenses

for the year to 31 October	2023 £'000	2022 £'000
Payable to the ACD or associate		
Annual charge	159	106
Total expenses	159	106

Audit fees for the financial year ending 2023 were £12,000 (2022: £12,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 October	2023 £'000	2022 £'000
a) Analysis of charge in the year		
Corporation tax	146	52
Withholding tax	21	19
Double taxation relief	(3)	(2)
Deferred tax (note 7c)	0	0
Total taxation	164	69
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	990	434
Corporation tax at 20%	198	87
Effects of:		
Dividends from equity investments: non-taxable	(52)	(35)
Double taxation relief	(3)	(2)
Withholding tax	21	19
Total tax charge (note 7a)	164	69
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	0	0

The fund has not recognised a deferred tax asset in the current financial year (2022: same).

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8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 October	2023		2022	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Ordinary distributions				
First interim	3	133	2	61
Second interim	4	192	3	83
Third interim	5	265	4	118
Final	5	276	3	120
Total net distributions		883		394
Income deducted on cancellation of shares		1		1
Income received on issue of shares		(54)		(25)
Distributions		830		370
Net revenue/(expense) per statement of total return		826		365
Expenses offset against capital		4		5
Distributions		830		370

9 Debtors

as at 31 October	2023 £'000	2022 £'000
Amounts receivable on issues of shares	138	41
Currency deals outstanding	0	112
Debt security interest receivable	165	130
Dividends receivable	9	9
Withholding tax recoverable	3	2
Total debtors	315	294

10 Cash and bank balances

as at 31 October	2023 £'000	2022 £'000
Amounts held at futures clearing houses and collateral manager	880	0
Cash held as bank balances	1,197	1,003
Total cash and bank balances	2,077	1,003

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11 Other creditors

as at 31 October	2023 £'000	2022 £'000
Annual charge payable	8	5
Corporation tax payable	143	50
Currency deals outstanding	0	110
Purchases awaiting settlement	0	173
Total other creditors	151	338

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2022: same).

13 Shares in issue

The following table shows each class of share in issue during the year. Each share class has the same rights on winding up however they may have different charging structures as set out in note 14.

Share class	Opening		Movements		Closing 31.10.23
	01.11.22	Issued	Cancelled	Converted	
Sterling					
Class 'A' Income	355,602	6,554	(40,972)	0	321,184
Class 'A' Accumulation	271,812	87,763	(13,453)	0	346,122
Class 'I' Income	58,867	17,920	(10,061)	0	66,726
Class 'I' Accumulation	501,153	358,933	(179,820)	0	680,266
Class 'L' Accumulation	14,016,040	0	0	0	14,016,040
Class 'PP' Income	66,848	91,763	(5,000)	0	153,611
Class 'PP' Accumulation	11,447,392	14,622,376	(30,321)	0	26,039,447
Class 'R' Income	88,128	3,816	0	0	91,944
Class 'R' Accumulation	191,602	50,793	(3,478)	0	238,917

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

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14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.05
Class 'I'	0.65
Class 'L'	0.45
Class 'PP'	0.55
Class 'R'	0.90

15 Related parties

M&G Securities Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal on all the transactions of shares in the fund except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to shareholders' and note 8. Amounts due to/from M&G Securities Limited in respect of share transactions at the period end are disclosed in notes 9 and 11 where applicable.

Amounts paid to M&G Securities Limited in respect of the annual charge are disclosed in note 6. Amounts due at the period end in respect of the annual charge are disclosed in note 11.

Amounts paid to M&G Securities Limited in respect of rebate arrangements for the annual charge are disclosed in notes 3 and 5. Amounts due at the period end from the ACD, and/or associate, in respect of these rebates are disclosed in note 9.

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 33.37% (2022: 51.86%) of the fund's shares.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

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Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 October	Assets 2023 £'000	Liabilities 2023 £'000	Assets 2022 £'000	Liabilities 2022 £'000
Level 1	22,251	(586)	9,103	0
Level 2	12,694	(34)	13,701	(24)
Level 3	66	0	0	0
	35,011	(620)	22,804	(24)

Home REIT was suspended in the period and has been transferred from Level 1 to Level 3. Home REIT is held at a discount to estimated NAV.

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

18 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

The VaR limit set during the financial year to 31 October 2023 was 20% (2022: 20%).

The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2023 and 31 October 2022.

for the year to 31 October	2023 % of VaR	2023 Utilisation of VaR 20%	2022 % of VaR	2022 Utilisation of VaR 20%
Lowest	3.58	17.90	2.81	14.05
Highest	4.60	23.00	4.71	23.55
Average	4.03	20.15	3.67	18.33

19 Credit risk

The fund is exposed to credit risk through the credit quality of the investments it holds. The table below shows the credit quality of the investments held in the portfolio.

as at 31 October	2023 £'000	2022 £'000
Investment grade securities	23,668	14,217
Below investment grade securities	1,479	1,770
Other investments	9,244	6,793
Total	34,391	22,780

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The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(586)
JPMorgan	(1)	0
State Street Bank	(33)	0
UBS	29	0
Total	(5)	(586)

as at 31 October 2022	Forward currency contracts £'000
HSBC	7
JPMorgan	18
UBS	(20)
Total	5

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20 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial year ended 31 October 2023 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2023 £'000	2023 %	2022 £'000	2022 %
Lowest	32,782	128.00	16,878	137.00
Highest	78,948	252.00	23,797	275.00
Average	46,178	151.28	20,858	155.42

21 Dividend distribution tables

This fund pays quarterly ordinary distributions and the following table sets out the distribution periods.

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.11.22	31.01.23	01.02.23	31.03.23
Second interim	01.02.23	30.04.23	02.05.23	30.06.23
Third interim	01.05.23	31.07.23	01.08.23	30.09.23
Final	01.08.23	31.10.23	01.11.23	31.12.23

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares.

Group 1 shares are those purchased prior to a distribution period and therefore their income rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

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Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.1389	0.4324	0.5713	0.4741
Second interim	0.2560	0.4504	0.7064	0.5218
Third interim	0.3670	0.4549	0.8219	0.6190
Final	0.2612	0.4909	0.7521	0.5731

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.0224	0.3346	0.3570	0.2153
Second interim	0.1113	0.4000	0.5113	0.2851
Third interim	0.6210	0.0000	0.6210	0.4129
Final	0.1125	0.4543	0.5668	0.3171

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.0351	0.5231	0.5582	0.4581
Second interim	0.1034	0.5924	0.6958	0.5064
Third interim	0.4777	0.3345	0.8122	0.6006
Final	0.4433	0.3006	0.7439	0.5575

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.1709	0.2592	0.4301	0.2968
Second interim	0.5389	0.0464	0.5853	0.3623
Third interim	0.3600	0.3421	0.7021	0.4652
Final	0.1039	0.5402	0.6441	0.4223

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Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.4702	0.0000	0.4702	0.3397
Second interim	0.6228	0.0000	0.6228	0.4010
Third interim	0.7430	0.0000	0.7430	0.5019
Final	0.6836	0.0000	0.6836	0.4661

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.5560	0.0000	0.5560	0.4566
Second interim	0.6926	0.0000	0.6926	0.5047
Third interim	0.0682	0.7415	0.8097	0.5974
Final	0.7406	0.0000	0.7406	0.5529

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.2170	0.2347	0.4517	0.3191
Second interim	0.2618	0.3421	0.6039	0.3817
Third interim	0.3084	0.4145	0.7229	0.4831
Final	0.3089	0.3547	0.6636	0.4412

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.2815	0.2847	0.5662	0.4669
Second interim	0.3622	0.3402	0.7024	0.5154
Third interim	0.2179	0.6005	0.8184	0.6132
Final	0.3034	0.4455	0.7489	0.5685

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Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.1817	0.2032	0.3849	0.2456
Second interim	0.2774	0.2615	0.5389	0.3141
Third interim	0.3588	0.2924	0.6512	0.4161
Final	0.2900	0.3057	0.5957	0.3744

22 Events after the balance sheet date

There were no events after the balance sheet date to disclose.

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

Investment objective

The fund has two aims:

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

Investment policy

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

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

The fund aims to exclude securities issued by:

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

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

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

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

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

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

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

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

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

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

Investment approach

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

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

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

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

Benchmark

Benchmark: IA Flexible Investment Sector.

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

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

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

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 14.

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



The above number:

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

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Investment review

For the year ended 31 October 2023

Volatility against objective

It is not yet possible to measure the fund's volatility (the degree to which the price varies) against its five-year volatility objective, which is to limit average volatility to 17% per annum while providing a combination of capital growth and income over any five-year period, because the fund was only launched on 8 December 2020.

Volatility over a shorter period is not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's investment objective.

Currently, annualised volatility is sitting at around 8.4%, below the 17% limit.

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	17.0	8.4

Performance against objective

Between 1 November 2022 (the start of the review period) and 31 October 2023, the M&G Sustainable Multi Asset Growth Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. Performance was ahead of that of the benchmark, the IA Flexible Investment Sector, which produced a return of 1.8% over the same period. The fund's performance against its objective cannot be assessed as the fund launched less than five years ago.

Performance review

The strength of the investment returns across many asset classes during early part of 2023 took observers by surprise given the plethora of gloomy economic forecasts that spilled over from 2022, a period that saw many asset prices suffer under the weight of soaring global inflation and aggressive interest rate hikes.

However, the performance of many financial markets tailed off from July 2023 onwards as investors began to anticipate 'higher-for-longer' interest rate policy from leading central banks. This shift in policy outlook was

partly driven by surprisingly robust economic performance among the major economies, but particularly the underlying strength of the US labour market and its wider economy. These factors aided a surge in developed market government bond yields, and a re-pricing of risk across other asset classes, particularly in the third quarter of 2023 as US and other leading government bond markets fell sharply in value.

The fund managed to post a positive investment return over the 12-month review period, in an environment where many multi-asset strategies struggled due to some notable periods of correlated price falls across equity and bond markets. The fund's exposure to long-dated US government bonds and other developed market government bonds (including some green sovereign bonds) was a drag on returns given the jump in yields. However, these losses were over-shadowed by good performance from the fund's equity allocation (notably its basket of technology equities) and its corporate bonds exposure enjoy a period of good performance.

Towards the end of the period, the fund suffered from some stock-specific weakness among its positive impact holdings due to the high interest rate environment. During this phase, some of the largest detractors were solar panel parts manufacturer SolarEdge Technologies, semiconductor supplier onsemi and genetic-sequencing specialist Illumina. The fund also experienced a negative performance contribution from its listed infrastructure exposure, including names such as Greencoat Renewables. On the other hand, the fund's exposure to European bank equities and emerging market government bonds proved fruitful over the period.

As at 31 October 2023, the MSCI ESG score for the fund was 7.8, equivalent to an MSCI ESG rating of AA. The fund continues to hold a significant amount of exposure (44.1%) to positive impact assets. These holdings aim to generate a positive social and/or environmental impact, alongside a financial return.

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Investment activities

The fund has been cautiously positioned for most of the period, maintaining a healthy cash position in order to respond to tactical opportunities and absorb market drawdowns. While this stance has cost us at times, particularly given the performance resilience displayed by most risk markets over the first half of the year, we felt it was the most prudent approach given the unprecedented levels of repricing we have seen in government bond markets as several leading economies digested policy rates above 5% for the first time in decades.

We sought to maximise the sustainability characteristics in the portfolio and have carried out portfolio rebalancing when we've identified concerns. For example, the fund reduced some Asian and Japanese equity exposure following some notable ESG downgrades at the start of the year.

In April, we added to our sovereign green bond holdings with bond issues from the UK, Italy and Germany; diversifying our overall exposure both in terms of maturities and currency. We also reduced equity risk by carrying out some switches into lower-risk names following the resilient performance shown by many equity markets since the start of the year. We felt that, up to that point, markets had seemingly turned a blind eye to global economic risks and rising uncertainty in the US banks sector given the collapse of regional lender Silicon Valley Bank earlier this year.

The strength of the rally in Japanese equities left valuations less attractive relative to markets in Europe and the UK, in our view, and we removed our overweight exposure to the country across the sustainable multi asset funds in June. At the same time, we scaled back exposure to emerging market sovereign bonds after some good performance, while maintaining an overweight position to the asset class across the fund range. Specifically, we reduced a position in Colombian sovereign green bonds.

We added to UK bonds again as gilt yields continued to move higher. Despite the tougher inflationary environment in the UK, we felt it was prudent to add exposure given how susceptible the UK consumers and businesses could be to tighter financial conditions.

Finally, we decided to cut equity exposure in October to reduce overall portfolio risk. We mainly targeted European banks and financials, selling out of some names entirely and moving proceeds to cash.

Outlook

The foundation of our multi-asset approach is to look for opportunities at the intersection of compelling asset class valuations and behavioural biases entering the market. In the current environment, that means supportive valuations in government bond markets need to be weighed against the range of growth/inflation outcomes that are priced in, and reasonable valuations in equities against the prospect for corporate earnings.

Given the emerging signs of weaker household and business finances in the US and the already soft economic activity data in Europe, we feel it is prudent to maintain our cautious stance in the portfolio for now, particularly around equities. However, the fund remains fully invested across a variety of asset classes and can benefit, we believe, from a period of renewed resilience in risk markets and/or an environment where a disinflationary impulse becomes more prevalent.

We continue to wholeheartedly believe in the underlying structural drivers that support the sustainable investment universe, and are excited by the prospects of several areas of focus for the fund range, including renewable energy infrastructure, supranational bonds and green bonds. In the listed green infrastructure space, for example, we have recently held several reassuring meetings with some of the businesses we own. Many of these investments trade at significant discounts to their net asset value, making the medium to long-term investment opportunity potentially even more attractive, in our view. Despite a difficult 2023 for some of these assets as

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interest rates have risen, we remain optimistic for the future, particularly if the outlook for rates continues to stabilise.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities	14,023	62.14	69.67
United Kingdom	1,517	6.72	8.11
UK equities	1,517	6.72	8.11
5,274 Bank of Georgia	179	0.79	
64,090 DS Smith	184	0.82	
257,276 Greencoat UK Wind	350	1.55	
397,101 Home REIT ^a	56	0.25	
72,367 Marks & Spencer	158	0.70	
390,657 Octopus Renewables Infrastructure Trust	340	1.51	
19,731 Segro REIT	141	0.62	
15,407 WPP	109	0.48	
Belgium	0	0.00	0.54
Belgian equities	0	0.00	0.54
Denmark	651	2.88	2.34
Danish equities	651	2.88	2.34
19,182 ALK-Abelló	174	0.77	
2,473 Novo Nordisk	198	0.88	
2,716 Ørsted	109	0.48	
945 Rockwool	170	0.75	
France	728	3.23	4.40
French equities	728	3.23	4.40
1,283 Capgemini	184	0.81	
3,693 Danone	182	0.81	
538 L'Oréal	187	0.83	
1,376 Schneider Electric	175	0.78	
Germany	640	2.84	2.74
German equities	640	2.84	2.74
803 Allianz	156	0.69	
2,567 Bayerische Motoren Werke	197	0.87	
3,483 Fresenius Medical Care	96	0.43	
1,737 SAP	191	0.85	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
Guernsey	331	1.47	1.22
Guernsey equities	331	1.47	1.22
324,943 Renewables Infrastructure	331	1.47	
Ireland	314	1.39	1.56
Irish equities	314	1.39	1.56
412,309 Greencoat Renewables ^b	314	1.39	
Italy	354	1.57	1.33
Italian equities	354	1.57	1.33
9,966 Assicurazioni Generali	164	0.73	
29,842 Terna	190	0.84	
Netherlands	193	0.85	0.66
Dutch equities	193	0.85	0.66
18,343 ING	193	0.85	
Spain	657	2.91	2.56
Spanish equities	657	2.91	2.56
3,036 Amadeus IT	144	0.64	
18,933 Grifols	176	0.78	
105,174 Telefónica	337	1.49	
United States	5,081	22.52	27.19
US equities	5,081	22.52	27.19
2,002 Agilent Technologies	166	0.74	
1,862 Alphabet	191	0.85	
1,514 American Express	178	0.79	
4,658 AMERISAFE	194	0.86	
796 Ansys	180	0.80	
1,335 Apple	186	0.82	
4,388 Ball	172	0.76	
6,196 Bank of New York Mellon	216	0.96	
2,741 Bright Horizons Family Solutions	167	0.74	
2,775 CBRE	154	0.68	
4,772 Cisco Systems	203	0.90	
10,094 Hannon Armstrong Sustainable Infrastructure Capital REIT	141	0.62	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
United States (continued)			
US equities (continued)			
1,390 Illumina	123	0.54	
6,273 Intel	185	0.82	
4,342 Johnson Controls International	171	0.76	
3,613 Kellanova	149	0.66	
382 Lam Research	183	0.81	
800 Microsoft	223	0.99	
3,009 onsemi	161	0.71	
1,437 PNC Financial Services	132	0.58	
1,525 Procter & Gamble	187	0.83	
1,855 Quest Diagnostics	197	0.87	
1,561 Republic Services	189	0.84	
957 SolarEdge Technologies	60	0.27	
454 Thermo Fisher Scientific	163	0.72	
514 UnitedHealth	225	1.00	
7,195 Verizon Communications	205	0.91	
1,072 Visa	206	0.91	
903 WK Kellogg	8	0.04	
2,146 Xylem	166	0.74	
Canada	165	0.73	1.02
Canadian equities	165	0.73	1.02
10,641 Boralex	165	0.73	
Brazil	307	1.36	2.22
Brazilian equities	307	1.36	2.22
107,335 AES Brasil Energia	177	0.78	
335,385 Cogna Educação	130	0.58	
Japan	876	3.88	4.17
Japanese equities	876	3.88	4.17
6,400 Dai-ichi Life	111	0.49	
2,400 Hitachi	125	0.55	
4,000 Horiba	167	0.74	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Equities (continued)			
Japan (continued)			
Japanese equities (continued)			
16,800 Katitas	185	0.82	
10,000 Panasonic	72	0.32	
1,500 Sony	103	0.46	
5,100 Takeda Pharmaceutical	113	0.50	
Australia	370	1.64	1.82
Australian equities	370	1.64	1.82
24,615 Brambles	169	0.75	
1,599 Cochlear	201	0.89	
Hong Kong	574	2.54	2.11
Hong Kong equities	574	2.54	2.11
28,400 AIA	203	0.90	
192,000 Lenovo	184	0.81	
117,600 Swire Properties	187	0.83	
India	182	0.81	1.18
Indian equities	182	0.81	1.18
3,872 HDFC Bank ADR	182	0.81	
South Korea	160	0.71	1.40
South Korean equities	160	0.71	1.40
3,931 Samsung Electronics	160	0.71	
Taiwan	704	3.12	2.28
Taiwanese equities	704	3.12	2.28
67,000 ASE Technology	192	0.85	
145,672 Cathay Financial	162	0.72	
271,380 E.Sun Financial	163	0.72	
14,000 Taiwan Semiconductor Manufacturing	187	0.83	
South Africa	219	0.97	0.82
South African equities	219	0.97	0.82
76,693 Sanlam	219	0.97	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income	7,314	32.41	24.12
United Kingdom	4,323	19.16	6.99
Government bonds	4,160	18.44	6.61
£308,000 UK Treasury 0% 20/11/2023	307	1.36	
£816,500 UK Treasury 0% 04/12/2023	812	3.60	
£764,000 UK Treasury 0% 15/01/2024	756	3.35	
£535,000 UK Treasury 0% 22/01/2024	529	2.34	
£1,057,000 UK Treasury 0% 19/02/2024	1,040	4.61	
£672,515 UK Treasury 0.875% 31/07/2033	482	2.14	
£496,414 UK Treasury 1.5% 31/07/2053	234	1.04	
Investment grade corporate bonds	163	0.72	0.38
IDR1,740,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	83	0.37	
€100,000 Vodafone 0.9% 24/11/2026	80	0.35	
Belgium	80	0.35	0.00
Investment grade corporate bonds	80	0.35	0.00
€100,000 KBC Var. Rate 0.25% 01/03/2027	80	0.35	
France	250	1.11	0.79
Investment grade corporate bonds	209	0.93	0.60
US\$59,000 EDF 3.625% 13/10/2025	46	0.20	
€100,000 Société Générale Var. Rate 0.875% 22/09/2028	76	0.34	
€100,000 Unibail-Rodamco-Westfield 2.5% 26/02/2024	87	0.39	
Below investment grade corporate bonds	41	0.18	0.19
€50,000 Renault 1% 28/11/2025	41	0.18	
Germany	220	0.98	0.31
Government bonds	113	0.50	0.00
€153,882 Germany (Federal Republic of) 0% 15/08/2030	113	0.50	
Investment grade corporate bonds	33	0.15	0.31
€47,000 Mercedes-Benz 0.75% 10/09/2030	33	0.15	
Below investment grade corporate bonds	74	0.33	0.00
€100,000 ZF Finance 2.25% 03/05/2028	74	0.33	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)			
Italy	55	0.24	0.00
Government bonds	55	0.24	0.00
€67,000 Italy (Republic of) 4% 30/04/2035	55	0.24	
Luxembourg	415	1.84	0.82
Investment grade corporate bonds	415	1.84	0.82
ZAR10,480,000 European Investment Bank 0% 18/10/2032	185	0.82	
£241,000 European Investment Bank 0.75% 15/11/2024	230	1.02	
Netherlands	79	0.35	0.00
Investment grade corporate bonds	79	0.35	0.00
€100,000 ING 2.5% 15/11/2030	79	0.35	
Portugal	81	0.36	0.38
Investment grade corporate bonds	81	0.36	0.38
€100,000 EDP - Energias de Portugal 1.625% 15/04/2027	81	0.36	
Sweden	162	0.72	0.38
Investment grade corporate bonds	79	0.35	0.00
€100,000 Swedbank Var. Rate 0.3% 20/05/2027	79	0.35	
Below investment grade corporate bonds	83	0.37	0.38
€100,000 Volvo Car 4.25% 31/05/2028	83	0.37	
United States	1,452	6.44	11.73
Government bonds	0	0.00	7.44
Investment grade corporate bonds	1,346	5.97	3.35
US\$116,000 Apple 3% 20/06/2027	89	0.39	
US\$70,000 Boston Properties 2.55% 01/04/2032	40	0.18	
US\$62,000 Boston Properties 4.5% 01/12/2028	45	0.20	
US\$57,000 HCA 5% 15/03/2024	47	0.21	
£318,000 Inter-American Development Bank 1.375% 15/12/2024	304	1.35	
US\$347,000 Inter-American Development Bank 4.375% 24/01/2044	246	1.09	
IDR1,490,000,000 Inter-American Development Bank 5.1% 17/11/2026	74	0.33	
BRL490,000 International Bank for Reconstruction & Development 0% 30/01/2024	78	0.35	
MXN4,510,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	180	0.80	

Portfolio statement

Investments (continued)

Holding		as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Fixed income (continued)				
United States (continued)				
Investment grade corporate bonds (continued)				
BRL750,000	International Bank for Reconstruction & Development 5% 22/01/2026	111	0.49	
US\$73,000	Prologis 1.25% 15/10/2030	44	0.19	
US\$64,000	Xylem 1.95% 30/01/2028	45	0.20	
US\$68,000	Xylem 2.25% 30/01/2031	43	0.19	
Below investment grade corporate bonds		106	0.47	0.94
US\$100,000	Ball 2.875% 15/08/2030	64	0.28	
US\$72,000	DaVita 3.75% 15/02/2031	42	0.19	
Chile		256	1.13	1.06
Government bonds		256	1.13	1.06
€200,000	Chile (Republic of) 1.25% 29/01/2040	107	0.47	
CLP175,000,000	Chile (Republic of) 5% 01/10/2028	149	0.66	
Colombia		93	0.41	0.59
Government bonds		93	0.41	0.59
COP588,800,000	Colombia (Republic of) 7% 26/03/2031	93	0.41	
Mexico		0	0.00	0.31
Government bonds		0	0.00	0.31
Peru		0	0.00	0.31
Government bonds		0	0.00	0.31
South Africa		0	0.00	0.26
Government bonds		0	0.00	0.26
Cayman Islands		0	0.00	0.19
Investment grade corporate bonds		0	0.00	0.19
Debt derivatives		(152)	(0.68)	0.00
Interest rate futures		(152)	(0.68)	
13	US Ultra Bond Dec 2023	(152)	(0.68)	
Currency		15	0.07	0.14
Forward currency contracts		15	0.07	0.14
AU\$(684,095)	Sold for £359,243 (expires 31.01.24)	1	0.00	
CA\$(282,265)	Sold for £168,926 (expires 31.01.24)	1	0.01	

Portfolio statement

Investments (continued)

Holding	as at 31.10.23 £'000	as at 31.10.23 %	as at 31.10.22 %
Currency (continued)			
Forward currency contracts (continued)			
DKK(5,656,901) Sold for £663,538 (expires 31.01.24)	(3)	(0.01)	
€(4,521,030) Sold for £3,952,895 (expires 31.01.24)	(17)	(0.07)	
HK\$(5,280,710) Sold for £557,704 (expires 31.01.24)	3	0.01	
US\$(6,690,444) Sold for £5,518,424 (expires 31.01.24)	28	0.12	
US\$866,050 Bought for TWD27,697,536 (expires 31.01.24)	2	0.01	
Total portfolio	21,352	94.62	93.93
Net other assets/(liabilities)	1,213	5.38	6.07
Net assets attributable to shareholders	22,565	100.00	100.00

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

^a Suspended/delisted.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the year to 31 October 2023

Largest purchases	£'000
UK Treasury 0% 15/05/2023	1,563
UK Treasury 0% 10/07/2023	1,340
UK Treasury 0% 19/02/2024	1,029
UK Treasury 0% 04/09/2023	876
UK Treasury 0% 04/12/2023	798
UK Treasury 0% 15/01/2024	743
UK Treasury 0% 20/11/2023	567
UK Treasury 0% 22/01/2024	521
UK Treasury 0.875% 31/07/2033	492
UK Treasury 0% 24/07/2023	449
Other purchases	7,064
Total purchases	15,442

Largest sales	£'000
US Treasury 3% 15/02/2048	1,595
UK Treasury 0% 15/05/2023	1,570
UK Treasury 0% 10/07/2023	1,363
UK Treasury 0% 06/02/2023	1,340
UK Treasury 0% 04/09/2023	891
UK Treasury 0% 24/07/2023	458
UK Treasury 0% 30/01/2023	416
UK Treasury 0% 20/11/2023	269
NVIDIA	225
Kering	221
Other sales	4,747
Total sales	13,095

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+2.0	n/a	n/a	n/a
Class 'A' Accumulation	+2.0	n/a	n/a	n/a
Class 'I' Income	+2.3	n/a	n/a	n/a
Class 'I' Accumulation	+2.3	n/a	n/a	n/a
Class 'L' Accumulation	+2.5	n/a	n/a	n/a
Class 'PP' Income	+2.4	n/a	n/a	n/a
Class 'PP' Accumulation	+2.4	n/a	n/a	n/a
Class 'R' Income	+2.1	n/a	n/a	n/a
Class 'R' Accumulation	+2.1	n/a	n/a	n/a
Benchmark	+1.8	n/a	n/a	n/a

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.10	110.74	100.00
Return before operating charges	2.79	(13.82)	13.66
Operating charges	(1.11)	(1.19)	(1.02)
Return after operating charges	1.68	(15.01)	12.64
Distributions	(3.06)	(2.63)	(1.90)
Closing NAV	91.72	93.10	110.74
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.02	0.10
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	1.13	1.15	1.05
Return after charges	+1.80	-13.55	+12.64
Other information			
Closing NAV (£'000)	550	530	716
Number of shares	599,094	569,528	646,865
Highest share price (UK p)	102.72	114.02	112.38
Lowest share price (UK p)	92.28	90.20	99.66

Sterling Class 'A' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	97.17	112.69	100.00
Return before operating charges	2.74	(14.33)	13.70
Operating charges	(1.17)	(1.19)	(1.01)
Return after operating charges	1.57	(15.52)	12.69
Distributions	(2.14)	(1.65)	(0.91)
Retained distributions	2.14	1.65	0.91
Closing NAV	98.74	97.17	112.69
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.02	0.10
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	1.13	1.15	1.05
Return after charges	+1.62	-13.77	+12.69
Other information			
Closing NAV (£'000)	615	451	30
Number of shares	623,205	464,521	26,728
Highest share price (UK p)	108.59	116.03	113.76
Lowest share price (UK p)	96.88	93.53	99.66

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.69	111.13	100.00
Return before operating charges	2.69	(14.04)	13.65
Operating charges	(0.72)	(0.77)	(0.62)
Return after operating charges	1.97	(14.81)	13.03
Distributions	(3.00)	(2.63)	(1.90)
Closing NAV	92.66	93.69	111.13
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.02	0.10
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.73	0.75	0.65
Return after charges	+2.10	-13.33	+13.03
Other information			
Closing NAV (£'000)	84	47	27
Number of shares	90,376	50,058	23,941
Highest share price (UK p)	103.64	114.45	112.71
Lowest share price (UK p)	93.20	90.73	99.67

Sterling Class 'I' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	97.85	113.10	100.00
Return before operating charges	2.65	(14.46)	13.73
Operating charges	(0.76)	(0.79)	(0.63)
Return after operating charges	1.89	(15.25)	13.10
Distributions	(2.49)	(2.03)	(1.29)
Retained distributions	2.49	2.03	1.29
Closing NAV	99.74	97.85	113.10
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.02	0.10
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.73	0.75	0.65
Return after charges	+1.93	-13.48	+13.10
Other information			
Closing NAV (£'000)	1,878	1,611	1,216
Number of shares	1,882,950	1,645,968	1,075,573
Highest share price (UK p)	109.60	116.46	114.08
Lowest share price (UK p)	97.56	94.17	99.67

Financial highlights

Sterling Class 'L' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	98.16	113.29	100.00
Return before operating charges	2.62	(14.54)	13.72
Operating charges	(0.56)	(0.59)	(0.43)
Return after operating charges	2.06	(15.13)	13.29
Distributions	(2.67)	(2.20)	(1.48)
Retained distributions	2.67	2.20	1.48
Closing NAV	100.22	98.16	113.29
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.02	0.10
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.53	0.55	0.45
Return after charges	+2.10	-13.36	+13.29
Other information			
Closing NAV (£'000)	14,045	13,756	15,884
Number of shares	14,014,040	14,014,040	14,020,040
Highest share price (UK p)	110.08	116.68	114.24
Lowest share price (UK p)	97.87	94.47	99.68

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.84	111.23	100.00
Return before operating charges	2.68	(14.08)	13.66
Operating charges	(0.63)	(0.68)	(0.53)
Return after operating charges	2.05	(14.76)	13.13
Distributions	(2.98)	(2.63)	(1.90)
Closing NAV	92.91	93.84	111.23
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.02	0.10
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.63	0.65	0.55
Return after charges	+2.18	-13.27	+13.13
Other information			
Closing NAV (£'000)	22	22	22
Number of shares	23,614	23,614	20,060
Highest share price (UK p)	103.88	114.55	112.79
Lowest share price (UK p)	93.44	90.89	99.68

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	98.00	113.20	100.00
Return before operating charges	2.64	(14.52)	13.71
Operating charges	(0.66)	(0.68)	(0.51)
Return after operating charges	1.98	(15.20)	13.20
Distributions	(2.58)	(2.09)	(1.39)
Retained distributions	2.58	2.09	1.39
Closing NAV	99.98	98.00	113.20
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.02	0.09
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.07
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.63	0.65	0.55
Return after charges	+2.02	-13.43	+13.20
Other information			
Closing NAV (£'000)	4,338	3,270	863
Number of shares	4,338,966	3,337,213	762,230
Highest share price (UK p)	109.84	116.57	114.16
Lowest share price (UK p)	97.71	94.31	99.68

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.31	110.88	100.00
Return before operating charges	2.74	(13.92)	13.65
Operating charges	(0.96)	(1.03)	(0.87)
Return after operating charges	1.78	(14.95)	12.78
Distributions	(3.03)	(2.62)	(1.90)
Closing NAV	92.06	93.31	110.88
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.02	0.10
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.98	1.00	0.90
Return after charges	+1.91	-13.48	+12.78
Other information			
Closing NAV (£'000)	131	124	101
Number of shares	142,346	132,377	91,180
Highest share price (UK p)	103.05	114.18	112.51
Lowest share price (UK p)	92.61	90.39	99.66

Sterling Class 'R' Accumulation share performance

The share class was launched on 8 December 2020.

for the year to 31 October	2023	2022	2021
Change in NAV per share	UK p	UK p	UK p
Opening NAV	97.45	112.84	100.00
Return before operating charges	2.71	(14.33)	13.71
Operating charges	(1.02)	(1.06)	(0.87)
Return after operating charges	1.69	(15.39)	12.84
Distributions	(2.27)	(1.83)	(1.06)
Retained distributions	2.27	1.83	1.06
Closing NAV	99.14	97.45	112.84
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.02	0.10
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.02	0.00	0.08
Performance and charges	%	%	%
Direct portfolio transaction costs	0.02	0.00	0.09
Operating charges	0.98	1.00	0.90
Return after charges	+1.73	-13.64	+12.84
Other information			
Closing NAV (£'000)	902	839	727
Number of shares	910,178	861,210	644,088
Highest share price (UK p)	109.00	116.19	113.88
Lowest share price (UK p)	97.16	93.80	99.66

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Statement of total return

for the year to 31 October	Note	2023		2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		(234)		(3,504)
Revenue	5	771		587	
Expenses	6	(122)		(112)	
Interest payable and similar charges		(1)		0	
Net revenue/(expense) before taxation		648		475	
Taxation	7	(81)		(50)	
Net revenue/(expense) after taxation			567		425
Total return before distributions			333		(3,079)
Distributions	8		(576)		(432)
Change in net assets attributable to shareholders from investment activities			(243)		(3,511)

Statement of change in net assets attributable to shareholders

for the year to 31 October	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		20,650		19,586
Amounts received on issue of shares	2,169		4,600	
Amounts paid on cancellation of shares	(572)		(456)	
		1,597		4,144
Dilution adjustments		3		9
Change in net assets attributable to shareholders from investment activities (see above)		(243)		(3,511)
Retained distributions on Accumulation shares		558		422
Closing net assets attributable to shareholders		22,565		20,650

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Balance sheet

as at 31 October	Note	2023 £'000	2022 £'000
Assets			
Fixed assets			
Investments		21,524	19,423
Current assets			
Debtors	9	79	72
Cash and bank balances	10	1,178	1,194
Total assets		22,781	20,689
Liabilities			
Investment liabilities		(172)	(27)
Creditors			
Distribution payable		(6)	(5)
Other creditors	11	(38)	(7)
Total liabilities		(216)	(39)
Net assets attributable to shareholders		22,565	20,650

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Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2023 £'000	2022 £'000
Non-derivative securities	(383)	(2,058)
Derivative contracts	125	(1,529)
Currency gains/(losses)	24	83
Net capital gains/(losses)	(234)	(3,504)

Includes realised gains of £208,000 and unrealised losses of £442,000 (2022: realised losses of £1,368,000 and unrealised losses of £2,136,000). Certain realised gains and losses in the current year were unrealised in the prior year.

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4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments. Please refer to the 'Financial highlights' section for the effect of dilution adjustments.

for the year to 31 October	2023 £'000	% of transaction	2022 £'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	4,125		2,595	
Commissions	1	0.03	1	0.04
Taxes	3	0.07	2	0.08
Equities after transaction costs	4,129		2,598	
Debt securities	11,045		4,636	
Collective investment schemes				
Collective investment schemes before transaction costs	267		73	
Taxes	1	0.21	0	0.00
Collective investment schemes after transaction costs	268		73	
Other transaction types				
Corporate actions	0		12	
Total purchases after transaction costs	15,442		7,307	
b) Sales				
Equities				
Equities before transaction costs	4,407		1,298	
Commissions	(2)	0.04	0	0.03
Taxes	(1)	0.02	0	0.00
Equities after transaction costs	4,404		1,298	
Debt securities	8,691		3,492	
Total sales after transaction costs	13,095		4,790	
	2023 £'000	% of average NAV	2022 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	3	0.01	1	0.00
Taxes paid				
Equities	4	0.02	2	0.00
Collective investment schemes	1	0.00	0	0.00
Total taxes paid	5	0.02	2	0.00
Total direct portfolio transaction costs	8	0.03	3	0.00

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	%	%
d) Indirect portfolio transaction costs		
Average portfolio dealing spread as at the balance sheet date	0.16	0.22

5 Revenue

for the year to 31 October	2023 £'000	2022 £'000
Bank interest	6	2
Derivative revenue	2	0
Dividends from equity investments: non-taxable	474	449
Dividends from equity investments: taxable	2	0
Interest on debt securities	274	120
Property distribution: non-taxable	3	1
Property distribution: taxable	10	15
Total revenue	771	587

6 Expenses

for the year to 31 October	2023 £'000	2022 £'000
Payable to the ACD or associate		
Annual charge	122	112
Total expenses	122	112

Audit fees for the financial year ending 2023 were £12,000 (2022: £12,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 October	2023 £'000	2022 £'000
a) Analysis of charge in the year		
Corporation tax	35	5
Withholding tax	47	47
Double taxation relief	(2)	(2)
Capital gains tax (US)	1	0
Deferred tax (note 7c)	0	0
Total taxation	81	50
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	648	475
Corporation tax at 20%	130	95
Effects of:		
Dividends from equity investments: non-taxable	(95)	(90)
Double taxation relief	(2)	(2)
Withholding tax	47	47
Capital gains tax (US)	1	0
Total tax charge (note 7a)	81	50
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	0	0

The fund has not recognised a deferred tax asset in the current financial year (2022: same).

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8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 October	2023		2022	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Ordinary distributions				
First interim	4	82	3	60
Second interim	6	137	5	96
Third interim	9	203	7	169
Final	6	136	5	97
Total net distributions		583		442
Income deducted on cancellation of shares		1		1
Income received on issue of shares		(8)		(11)
Distributions		576		432
Net revenue/(expense) per statement of total return		567		425
Expenses offset against capital		9		7
Distributions		576		432

9 Debtors

as at 31 October	2023 £'000	2022 £'000
Debt security interest receivable	50	42
Dividends receivable	17	21
Withholding tax recoverable	12	9
Total debtors	79	72

10 Cash and bank balances

as at 31 October	2023 £'000	2022 £'000
Amounts held at futures clearing houses and collateral manager	229	0
Cash held as bank balances	949	1,194
Total cash and bank balances	1,178	1,194

11 Other creditors

as at 31 October	2023 £'000	2022 £'000
Annual charge payable	5	4
Corporation tax payable	33	3
Total other creditors	38	7

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12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2022: same).

13 Shares in issue

The following table shows each class of share in issue during the year. Each share class has the same rights on winding up however they may have different charging structures as set out in note 14.

Share class	Opening 01.11.22	Issued	Movements Cancelled	Converted	Closing 31.10.23
Sterling					
Class 'A' Income	569,528	52,112	(22,546)	0	599,094
Class 'A' Accumulation	464,521	178,279	(19,595)	0	623,205
Class 'I' Income	50,058	48,289	(7,971)	0	90,376
Class 'I' Accumulation	1,645,968	584,905	(347,923)	0	1,882,950
Class 'L' Accumulation	14,014,040	0	0	0	14,014,040
Class 'PP' Income	23,614	0	0	0	23,614
Class 'PP' Accumulation	3,337,213	1,080,352	(78,599)	0	4,338,966
Class 'R' Income	132,377	41,245	(31,276)	0	142,346
Class 'R' Accumulation	861,210	100,112	(51,144)	0	910,178

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.05
Class 'I'	0.65
Class 'L'	0.45
Class 'PP'	0.55
Class 'R'	0.90

15 Related parties

M&G Securities Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal on all the transactions of shares in the fund except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to shareholders' and note 8. Amounts due to/from M&G Securities Limited in respect of share transactions at the period end are disclosed in notes 9 and 11 where applicable.

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Amounts paid to M&G Securities Limited in respect of the annual charge are disclosed in note 6. Amounts due at the year end in respect of the annual charge are disclosed in note 11.

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 61.88% (2022: 66.36%) of the fund's shares.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 October	Assets 2023 £'000	Liabilities 2023 £'000	Assets 2022 £'000	Liabilities 2022 £'000
Basis of valuation				
Level 1	18,295	(152)	17,288	0
Level 2	3,173	(20)	2,135	(27)
Level 3	56	0	0	0
	21,524	(172)	19,423	(27)

Home REIT was suspended in the period and has been transferred from Level 1 to Level 3. Home REIT is held at a discount to estimated NAV.

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 14.

18 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

The VaR limit set during the financial year to 31 October 2023 was 20% (2022: 20%).

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The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2023 and 31 October 2022.

for the year to 31 October	2023 % of VaR	2023 Utilisation of VaR 20%	2022 % of VaR	2022 Utilisation of VaR 20%
Lowest	5.53	27.65	5.15	25.75
Highest	7.84	39.20	8.09	40.45
Average	6.59	32.95	6.67	33.33

19 Credit risk

The fund is exposed to credit risk through the credit quality of the investments it holds. The table below shows the credit quality of the investments held in the portfolio.

as at 31 October	2023 £'000	2022 £'000
Investment grade securities	7,069	4,523
Below investment grade securities	397	487
Other investments	13,886	14,386
Total	21,352	19,396

The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(152)
Citigroup	1	0
JPMorgan	(1)	0
State Street Bank	(18)	0
UBS	33	0
Total	15	(152)

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as at 31 October 2022		Forward currency contracts £'000
Bank of America Merrill Lynch		(1)
HSBC		26
JPMorgan		22
State Street Bank		1
UBS		(18)
Total		30

20 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2023 and 31 October 2022 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2023 £'000	2023 %	2022 £'000	2022 %
Lowest	32,694	144.00	19,794	160.00
Highest	66,591	292.00	22,546	331.00
Average	38,859	169.68	21,027	182.85

21 Dividend distribution tables

This fund pays quarterly ordinary distributions and the following table sets out the distribution periods.

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.11.22	31.01.23	01.02.23	31.03.23
Second interim	01.02.23	30.04.23	02.05.23	30.06.23
Third interim	01.05.23	31.07.23	01.08.23	30.09.23
Final	01.08.23	31.10.23	01.11.23	31.12.23

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares.

Group 1 shares are those purchased prior to a distribution period and therefore their income rate is the same as the distribution rate.

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Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
First interim	0.0517	0.4682	0.5199	0.4628
Second interim	0.4846	0.2838	0.7684	0.6213
Third interim	0.0968	0.9386	1.0354	0.9445
Final	0.2783	0.4536	0.7319	0.6022

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
First interim	0.0543	0.2307	0.2850	0.1783
Second interim	0.2289	0.3078	0.5367	0.3961
Third interim	0.2940	0.5148	0.8088	0.7255
Final	0.3020	0.2072	0.5092	0.3460

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2023 UK p	2023 UK p	2023 UK p	2022 UK p
First interim	0.1605	0.3532	0.5137	0.4669
Second interim	0.6216	0.1231	0.7447	0.6245
Third interim	0.3399	0.6823	1.0222	0.9505
Final	0.2760	0.4428	0.7188	0.5921

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Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.1079	0.2606	0.3685	0.2886
Second interim	0.3316	0.2899	0.6215	0.4724
Third interim	0.1933	0.7100	0.9033	0.8223
Final	0.3720	0.2262	0.5982	0.4442

Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.4112	0.0000	0.4112	0.3435
Second interim	0.6648	0.0000	0.6648	0.5094
Third interim	0.9501	0.0000	0.9501	0.8520
Final	0.6432	0.0000	0.6432	0.4960

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.5076	0.0000	0.5076	0.4648
Second interim	0.7412	0.0000	0.7412	0.6201
Third interim	1.0192	0.0000	1.0192	0.9493
Final	0.7166	0.0000	0.7166	0.6003

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.1533	0.2368	0.3901	0.3164
Second interim	0.5024	0.1404	0.6428	0.4897
Third interim	0.2242	0.7027	0.9269	0.8311
Final	0.2621	0.3587	0.6208	0.4515

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Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.3116	0.2097	0.5213	0.4635
Second interim	0.3960	0.3612	0.7572	0.6221
Third interim	0.3124	0.7172	1.0296	0.9462
Final	0.3130	0.4138	0.7268	0.5921

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.1538	0.1626	0.3164	0.2196
Second interim	0.2934	0.2759	0.5693	0.4283
Third interim	0.3911	0.4524	0.8435	0.7930
Final	0.3558	0.1867	0.5425	0.3899

22 Events after the balance sheet date

There were no events after the balance sheet date to disclose.

Other regulatory disclosures

Alternative Investment Fund Managers Directive (AIFMD)

In accordance with the AIFMD we are required to report to investors on the 'leverage' of the fund and any 'special arrangements' that exist in relation to the fund's assets.

Leverage

Under AIFMD, leverage is defined as any method by which the fund increases its exposure through borrowing or the use of derivatives. This exposure must be calculated in two ways, the 'gross method' and the 'commitment method'. The fund must not exceed maximum exposures under both methods.

'Gross method' is calculated as the sum of all positions of the fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes.

'Commitment method' exposure is also calculated as the sum of all positions of the fund (both positive and negative), but after netting off derivative and security positions as specified by AIFMD rules.

Therefore as at 31 October 2023 the total amount of leverage is as follows:

Gross method:

M&G Episode Allocation Fund 148%
M&G Episode Growth Fund 146%
M&G Managed Growth Fund 121%
M&G Sustainable Multi Asset Fund 135%
M&G Sustainable Multi Asset Balanced Fund 139%
M&G Sustainable Multi Asset Cautious Fund 128%
M&G Sustainable Multi Asset Growth Fund 144%

Commitment method:

M&G Episode Allocation Fund 122%
M&G Episode Growth Fund 152%
M&G Managed Growth Fund 110%
M&G Sustainable Multi Asset Fund 111%
M&G Sustainable Multi Asset Balanced Fund 112%
M&G Sustainable Multi Asset Cautious Fund 122%
M&G Sustainable Multi Asset Growth Fund 108%

Special arrangements

A 'Special Arrangement' is an arrangement in relation to fund assets that results in an investor or group of investors receiving different redemption rights to those generally available to investors in a given share class.

The fund had no assets subject to special arrangements for the year ending 31 October 2023.

Remuneration

In line with the requirements of the Alternative Investment Fund Managers Directive ('AIFMD'), M&G Securities Limited (the 'AIFM') is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the AIFMD.

The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of employees is in line with the risk policies and objectives of the alternative investment funds managed by the AIFM. Further details of the remuneration policy can be found here: mandgplc.com/our-business/mandg-investments/mandg-investments-business-policies. The remuneration policy and its implementation is reviewed on an annual basis, or more frequently where required, and is approved by the M&G plc Board Remuneration Committee. The most recent review found no fundamental issues with no material changes made to the policy.

The AIFM is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with M&G's interpretation of currently available guidance on quantitative remuneration disclosures. As market or regulatory guidance evolves, M&G may consider it appropriate to make changes to the way in which quantitative disclosures are calculated.

The 'Identified Staff' of M&G Securities Limited are those who could have a material impact on the risk profile of M&G Securities Limited or the AIFs it manages (including M&G Investment Funds (4)) and generally includes senior management, risk takers and

Other regulatory disclosures

control functions. 'Identified Staff' typically provide both AIFMD and non-AIFMD related services and have a number of areas of responsibility. Therefore, only the portion of remuneration for those individuals' services which may be attributable to the AIFM is included in the remuneration figures disclosed. Accordingly the figures are not representative of any individual's actual remuneration. The information needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable

The amounts shown below reflect payments made in respect of the financial year 1 January 2022 to 31 December 2022.

	Fixed Remuneration £'000	Variable Remuneration £'000	Total £'000	Beneficiaries
Senior Management	2,221	5,036	7,257	9
Other Identified Staff	3,477	17,850	21,327	18

