

M&G Investment Funds (4)

**Interim report and unaudited financial statements
for the six months ended 30 April 2024**

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (4) presents its interim report and unaudited financial statements for the six months ended 30 April 2024.

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

Please note that 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

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

As at 30 April 2024, 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, Gogarburn, 175 Glasgow Road,
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.

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 Investment reviews may become quickly outdated in relation to ongoing economic and geopolitical events.

Investor information

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

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 FCA.

M&G Securities Limited
26 June 2024

Financial statements and notes

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

Notes to the financial statements

Accounting policies

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

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 October 2023. They are prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 26 April 2024 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).

Over 35% of the fund's assets may be invested in government and other public securities issued by any one of:

- the government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales);

- the governments of Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden;
- the governments of Australia, Canada, Japan, New Zealand, Switzerland, USA;
- Eurofima, European Economic Community, European Bank for Reconstruction and Development, European Investment Bank, International Bank for Reconstruction and Development, International Financial Corporation.

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 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.

Authorised Corporate Director's Report

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 each share class the benchmark will be a cash rate of the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 April 2024

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) and was ahead of its

benchmark*, the Sterling Overnight Index Average (SONIA) + 5.0%, across all of its share classes. The benchmark returned +5.2% 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 6.8% 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 six month period under review saw very strong equity market performance overall, with US, Japanese and European shares all registering double digit returns. In emerging markets, a notable laggard was China, as investors fretted over weakness in its economy. Bond markets also recorded positive returns, with investors favouring corporate and emerging market sovereign debt, over developed market government bonds.

The final two months of 2023, saw a powerful rally in bond and equity markets. Following encouraging inflation data and indications of a 'policy pivot' to rate cuts by the US Federal Reserve, the US 10-year Treasury yield fell sharply in November and December. Other core sovereign bond markets, including the UK and Germany also enjoyed significant rallies, as did emerging market sovereign bonds. The rebound in government bonds, together with increasing risk appetite, was reflected in good performance from corporate bonds as well.

Alongside falling bond yields, equities also began to climb from late October as investor risk appetite improved and by the end of 2023, the MSCI AC World Index had recorded its best annual return since 2019.

Authorised Corporate Director's Report

However, the fortunes of equities and bonds diverged in the first quarter of 2024. While global equity markets recorded solid gains (partly driven by continued investor appetite for artificial intelligence-related stocks), the rally in bond markets at the end of 2023 faded, as investors pushed back the timing of interest rate cuts by central banks. Bond yields rose in January and February before recovering somewhat in March (bond yields rise as bond prices fall).

In general, both equities and bonds were weaker in April. This was mainly due to growing evidence of sticky US inflation, which raised questions as to whether the US Federal Reserve would be able to cut rates this year.

Shifting rate expectations led to US dollar strength versus most currencies, notably the Japanese yen, which hit a multi-decade low.

Against this backdrop, the fund delivered a positive return and outperformed its benchmark over the period under review. Our allocation to equities was the main driver of performance with exposure to European, UK, US, Japanese and Asian stocks proving particularly beneficial.

Fixed income exposure also aided performance, with developed market government bonds (principally long-dated US Treasuries and UK gilts), emerging market sovereign bonds (particularly from Mexico) and corporate bonds all contributing to gains.

Investment activities

In November, we added to equity exposure (US, UK and South Korea) in response to declines in prices caused by pressure from rising bond yields. Later in the month, we reduced fixed income exposure, responding to a rapid decline in developed market government bond yields. This removed the capital added to the long-end in early October.

In early 2024, we added modestly to China exposure, responding to material price weakness, with valuations looking increasingly attractive, in our view, and price action increasingly episodic given the rapidity of declines. Strong subsequent absolute and relative

performance has unwound the most episodic price action, so exposure was reduced toward the end of the period.

In March, we increased global equity exposure and reduced our position in Japanese equities, keeping our aggregate equity target unchanged. In fixed income, we increased the fund's long-dated UK gilt position and trimmed holdings in Mexican and South African bonds. We also moved to a long position in Japanese yen, which is at a multi-decade low versus the US dollar.

Outlook

The valuation of risk assets, signs of return-seeking behaviour, and a general lack of volatility suggest that investors are far more comfortable with risk than they have been for much of the past two years. One notable exception to this relaxed sentiment has been the Chinese equity market, which has displayed signs of panic, and provided an investment opportunity for the fund in January 2024. After several years of extremely surprising macro and market developments, similar tactical opportunities for the fund could emerge should the current consensus be shocked again.

Equity valuations in the US look demanding in aggregate, although not detached from fundamentals and recent robust earnings announcements, and could be vulnerable to either higher interest rates or weaker growth. As a result the portfolio ended the period with a preference for regionally diversified equity exposure outside the US.

Within fixed income, the pricing of US and other government bonds also suggests that prevailing sentiment is unconcerned about either the risks of further increases in inflation, or a material decline in future economic growth. In the case of the latter, current high real yields suggest that there is scope for fixed income assets to do well should the current growth optimism be challenged. Developed market bonds therefore have the potential to offer portfolio insurance if growth disappoints, whilst emerging market sovereign bonds offer attractive real and nominal yields, in our view. Cash real yields are elevated and attractive and uncorrelated with other asset

Authorised Corporate Director's Report

classes. Its liquidity, provides flexibility to respond to tactical opportunities.

Tony Finding & Stuart Canning

Co-fund managers

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

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

Portfolio statement

Investments

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equity derivatives	205	0.09	(0.06)
Other	205	0.09	(0.06)
Other equity futures	205	0.09	(0.06)
99 Hang Seng China Enterprises Index May 2024	86	0.04	
46 Hang Seng Index May 2024	119	0.05	
Equity portfolios	94,368	41.73	38.11
United Kingdom	9,109	4.03	3.99
2,292,688 M&G Recovery Fund Sterling Class 'C' Accumulation ^a	9,109	4.03	
Other	85,259	37.70	34.12
42,273 Amundi Euro Stoxx 50 ETF	4,505	1.99	
630,356 Amundi MSCI Japan ETF	8,785	3.89	
148,618 iShares Core MSCI World	11,426	5.05	
1,006,507 Lyxor FTSE 100 ETF	13,962	6.18	
106,944 Lyxor MSCI Korea ETF	5,805	2.57	
272,964 Lyxor S&P 500 ETF	11,425	5.05	
30,600 Xtrackers DAX ETF	4,464	1.97	
158,546 Xtrackers FTSE MIB ETF	4,569	2.02	
379,683 Xtrackers JPM ETF	8,738	3.86	
163,541 Xtrackers MSCI Indonesia Swap ETF	1,985	0.88	
2,097,743 Xtrackers MSCI Singapore ETF	2,427	1.07	
57,124 Xtrackers MSCI Taiwan ETF	2,650	1.17	
158,194 Xtrackers Spain ETF	4,518	2.00	
Fixed income	70,240	31.06	31.38
United Kingdom	52,663	23.29	21.33
Government bonds	52,663	23.29	21.33
£11,402,000 UK Treasury 0% 07/05/2024	11,396	5.04	
£6,590,000 UK Treasury 0% 28/05/2024	6,565	2.90	
£9,258,500 UK Treasury 0% 10/06/2024	9,206	4.07	
£7,650,000 UK Treasury 0% 15/07/2024	7,568	3.35	
£21,293,000 UK Treasury 3.75% 22/10/2053	17,928	7.93	
United States	5,682	2.51	2.23
Government bonds	5,682	2.51	2.23
US\$11,645,000 US Treasury IL 0.125% 15/02/2052	5,682	2.51	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Brazil	4,630	2.05	2.35
Government bonds	4,630	2.05	2.35
BRL31,000,000 Brazil (Federal Republic of) 10% 01/01/2029	4,630	2.05	
Mexico	4,113	1.82	3.93
Government bonds	4,113	1.82	3.93
MXN107,147,700 Mexico (United Mexican States) 8% 07/11/2047	4,113	1.82	
South Africa	4,423	1.95	2.75
Government bonds	4,423	1.95	2.75
ZAR138,784,800 South Africa (Republic of) 8.5% 31/01/2037	4,423	1.95	
Debt derivatives	(1,271)	(0.56)	(1.21)
Interest rate futures	(1,271)	(0.56)	(1.21)
233 US Ultra Bond Jun 2024	(1,271)	(0.56)	
Fixed income portfolios	36,827	16.29	17.31
Other	36,827	16.29	17.31
93,410 iShares Core GBP Corporate Bond ETF	11,335	5.01	
93,008 iShares JPMorgan USD EM Bond ETF	6,349	2.81	
82,712 iShares USD High Yield Corporate Bond ETF	6,161	2.73	
1,526,043 M&G Global High Yield Bond Fund Sterling Class 'A' Accumulation ^a	2,178	0.96	
72,210 M&G Total Return Credit Investment Fund Sterling Class 'A-H' Accumulation ^a	10,804	4.78	
Currency	287	0.13	0.10
Forward currency contracts	287	0.13	0.10
US\$1,606,285 Bought for CNY11,427,914 (expires 10.07.24)	0	0.00	
US\$11,392,744 Bought for KRW15,568,981,808 (expires 22.07.24)	51	0.02	
HK\$43,237,428 Bought for £4,409,347 (expires 31.07.24)	9	0.01	
US\$2,146,334 Bought for £1,708,603 (expires 31.07.24)	2	0.00	
€(24,116,789) Sold for £20,768,775 (expires 31.07.24)	68	0.03	
HK\$(43,237,428) Sold for £4,424,944 (expires 31.07.24)	7	0.00	
SG\$(3,212,143) Sold for £1,895,270 (expires 31.07.24)	6	0.00	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Currency (continued)			
Forward currency contracts (continued)			
US\$(57,628,283) Sold for £46,067,997 (expires 31.07.24)	137	0.06	
US\$3,385,164 Bought for TWD109,755,286 (expires 23.07.24)	7	0.01	
Total portfolio	201,927	89.30	86.84
Net other assets/(liabilities)	24,200	10.70	13.16
Net assets attributable to shareholders	226,127	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 six months to 30 April 2024

Largest purchases	£'000
UK Treasury 0% 12/02/2024	13,181
iShares Core MSCI World	11,253
UK Treasury 0% 07/05/2024	11,134
UK Treasury 0% 10/06/2024	9,100
UK Treasury 3.75% 22/10/2053	7,963
UK Treasury 0% 15/07/2024	7,466
UK Treasury 0% 28/05/2024	6,464
HSBC MSCI China ETF	4,451
Lyxor FTSE 100 ETF	4,389
Lyxor S&P 500 ETF	4,340
Other purchases	3,459
Total purchases	83,200

Largest sales	£'000
UK Treasury 0% 12/02/2024	13,333
UK Treasury 0% 20/11/2023	13,178
UK Treasury 0% 15/01/2024	7,707
Amundi MSCI Japan ETF	7,531
UK Treasury 0% 29/01/2024	7,485
UK Treasury 3.75% 22/10/2053	5,438
Lyxor S&P 500 ETF	5,243
HSBC MSCI China ETF	4,912
Mexico (United Mexican States) 8% 07/11/2047	4,478
Xtrackers Spain ETF	1,802
Other sales	4,276
Total sales	75,383

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, historic prices, distribution rates, 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 'Comparative tables' for the share class launch dates.

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+10.7	+3.7	+3.0	+4.2
Class 'A' Accumulation	+10.7	+3.7	+3.0	+4.2
Class 'I' Income	+10.8	+4.0	+3.3	+4.7
Class 'I' Accumulation	+10.8	+4.0	+3.3	+4.7
Class 'PP' Income	+10.9	+4.1	n/a	n/a
Class 'PP' Accumulation	+10.9	+4.1	+3.5	n/a
Class 'R' Income	+10.7	+3.8	+3.1	+4.5
Class 'R' Accumulation	+10.7	+3.8	+3.1	+4.5
Benchmark^b	+5.2	+7.8	+6.8	+6.2

^a Not annualised.

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

Comparative tables

'Operating charges' is calculated as a percentage of average net asset value and represents an annual rate. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 16 February 2007.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	25,626	24,260	24,167
Number of shares	17,848,666	18,426,940	18,719,792
Closing NAV per share (UK p)	143.57	131.66	129.10
Operating charges (%)	1.05	1.05	1.05

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	14,527	13,073	15,179
Number of shares	1,041,278	1,023,888	1,217,297
Closing NAV per share (UK p)	1,395.12	1,276.78	1,246.97
Operating charges (%)	0.65	0.65	0.65

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	106	89	84
Number of shares	99,758	91,465	89,089
Closing NAV per share (UK p)	106.18	97.13	94.77
Operating charges (%)	0.55	0.55	0.55

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	1,947	1,841	1,797
Number of shares	1,433,530	1,478,771	1,473,852
Closing NAV per share (UK p)	135.80	124.44	121.84
Operating charges (%)	0.90	0.90	0.90

Sterling Class 'A' Accumulation shares

The share class was launched on 16 February 2007.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	36,677	32,837	31,426
Number of shares	16,819,588	16,686,718	16,915,432
Closing NAV per share (UK p)	218.06	196.79	185.79
Operating charges (%)	1.05	1.05	1.05

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	138,330	123,225	130,473
Number of shares	7,545,019	7,459,472	8,392,694
Closing NAV per share (UK p)	1,833.40	1,651.93	1,554.59
Operating charges (%)	0.65	0.65	0.65

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	5,821	4,669	13,194
Number of shares	4,895,625	4,359,639	13,102,018
Closing NAV per share (UK p)	118.90	107.10	100.70
Operating charges (%)	0.55	0.55	0.55

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	3,093	2,896	2,781
Number of shares	1,724,464	1,790,214	1,823,313
Closing NAV per share (UK p)	179.37	161.77	152.55
Operating charges (%)	0.90	0.90	0.90

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Financial statements

Statement of total return

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		19,471		15,923
Revenue	4,072		3,730	
Expenses	(833)		(827)	
Interest payable and similar charges	(3)		(2)	
Net revenue/(expense) before taxation	3,236		2,901	
Taxation	(568)		(528)	
Net revenue/(expense) after taxation		2,668		2,373
Total return before distributions		22,139		18,296
Distributions		(2,860)		(2,577)
Change in net assets attributable to shareholders from investment activities		19,279		15,719

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		202,890		219,101
Amounts received on issue of shares	11,166		5,457	
Amounts paid on cancellation of shares	(9,413)		(16,971)	
		1,753		(11,514)
Dilution adjustments		9		24
Change in net assets attributable to shareholders from investment activities (see above)		19,279		15,719
Retained distributions on Accumulation shares		2,196		1,950
Closing net assets attributable to shareholders		226,127		225,280

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2024 £'000	31 October 2023 £'000
Assets		
Fixed assets		
Investments	203,198	178,994
Current assets		
Debtors	5,840	1,128
Cash and bank balances	9,262	12,205
Cash equivalents	10,697	16,962
Total assets	228,997	209,289
Liabilities		
Investment liabilities	(1,271)	(2,808)
Creditors		
Bank overdrafts	(76)	(2,129)
Distribution payable	(327)	(614)
Other creditors	(1,196)	(836)
Deferred tax provision	0	(12)
Total liabilities	(2,870)	(6,399)
Net assets attributable to shareholders	226,127	202,890

Financial statements and notes

Notes to the financial statements

Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 4.

Distribution policy

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 26 April 2024 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 each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

Authorised Corporate Director's Report

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 April 2024

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, which recorded a gain of 12.2%.

Over five years, the fund produced a positive return, broadly in line with the benchmark*, which delivered an annualised return of 6.0%. Most of the share classes, with the exception of the GBP 'A' Accumulation and GBP 'A' Income share classes, met their 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. Both the GBP 'A' Accumulation share class and the GBP 'A' income share class returns were just behind the benchmark.

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 six month period under review saw very strong equity market performance overall, with US, Japanese and European shares all registering double digit returns. In emerging markets, a notable laggard was China, as investors fretted over weakness in its economy. Bond markets also recorded positive returns, with investors favouring corporate and emerging market sovereign debt, over developed market government bonds.

The final two months of 2023, saw a powerful rally in bond and equity markets. Following encouraging inflation data and indications of a 'policy pivot' to rate cuts by the US Federal Reserve, the US 10-year Treasury yield fell sharply in November and December. Other core sovereign bond markets, including the UK and Germany also enjoyed significant rallies, as did emerging market sovereign bonds. The rebound in government bonds, together with increasing risk appetite, was reflected in good performance from corporate bonds as well.

Alongside falling bond yields, equities also began to climb from late October as investor risk appetite improved and by the end of 2023, the MSCI AC World Index had recorded its best annual return since 2019.

However, the fortunes of equities and bonds diverged in the first quarter of 2024. While global equity markets recorded solid gains (partly driven by continued investor appetite for artificial intelligence-related stocks), the rally in bond markets at the end of 2023 faded, as investors pushed back the timing of interest rate cuts by central banks. Bond yields rose in

Authorised Corporate Director's Report

January and February before recovering somewhat in March. Bond yields and bond prices move in opposite directions.

In general, both equities and bonds were weaker in April. This was mainly due to growing evidence of sticky US inflation, which raised questions as to whether the US Federal Reserve would be able to cut rates this year.

Shifting rate expectations led to US dollar strength versus most currencies, notably the Japanese yen, which hit a multi-decade low.

Against this backdrop, the fund delivered a positive return in the review period, and most share classes outperformed the fund's benchmark.

Our allocation to equities was the main driver of performance with exposure to global, UK, European, Japanese and other Asian stocks proving particularly beneficial.

Fixed income exposure also aided performance, albeit to a lesser extent. Developed market government bonds (principally long-dated US Treasuries, UK gilts and German bunds), corporate bonds and holdings in South African sovereign debt, all contributed to returns.

Investment activities

Early in the review period, we reduced our tactical position in South African government bonds and its currency, following the unwinding of an episode which we initiated before the start of the review period. We also added to global equity exposure in response to declines in prices caused by pressure from rising bond yields.

Later in November, we reduced long-dated fixed income exposure, in the US, UK and Germany, responding to a rapid decline in developed market government bond yields. This removed the capital added to the long-end in early October, before the start of the review period.

In early 2024, we added a new position in Chinese equities, responding to material price weakness, with valuations looking increasingly attractive in our view and price action increasingly episodic given the rapidity of declines. This position was scaled back in April, as

the strong absolute and relative performance since we invested, had unwound the most episodic price action.

Outlook

The concurrent weakness in bonds and equities (outside of China), could be suggestive that rising interest rates are becoming a worry for growth and/or discount rates once again.

However, sentiment remains relaxed in aggregate. Interest rate pressure is being interpreted as a cyclical rather than a structural issue, with language like 'stickiness' revealing the widespread faith that inflation will fall eventually.

Positive manufacturing data and improvements in China and Europe have also been supportive for already sanguine market beliefs about global growth.

Overall equity valuations look demanding in aggregate, although not detached from recent robust earnings/fundamentals. Overall, we favour equity exposure outside the US. Within fixed income, developed market bonds have the potential to offer portfolio insurance if growth disappoints, whilst emerging market sovereign bonds present attractive real and nominal yields. Cash real yields are elevated and attractive and uncorrelated with other asset classes. Its liquidity, provides flexibility to respond to tactical opportunities.

Craig Simpson & Tony Finding

Co-fund managers

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

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

Portfolio statement

Investments

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities	619,131	72.49	67.05
Equity portfolios	619,131	72.49	67.05
United Kingdom	16,596	1.95	1.82
4,811,954 M&G Smaller Companies Fund Sterling Class 'A' Income ^a	16,596	1.95	
Asia Pacific	29,221	3.42	3.37
1,850,016 M&G Asian Fund Sterling Class 'A' Income ^a	29,221	3.42	
Other	573,314	67.12	61.86
119,844 Amundi Euro Stoxx 50 ETF	12,770	1.50	
2,629,366 Amundi MSCI Japan ETF	36,643	4.29	
5,544,823 HSBC MSCI China ETF	25,623	3.00	
1,083,845 iShares Core FTSE 100 ETF	8,698	1.02	
2,534,792 iShares Core MSCI World ETF	194,872	22.81	
312,254 iShares MSCI EM Asia ETF	41,267	4.83	
12,489,870 Lyxor FTSE 100 ETF	173,259	20.28	
2,347,595 Vanguard FTSE Developed Europe Index ETF	80,182	9.39	
Fixed income	194,833	22.81	30.37
Fixed income portfolios	75,596	8.85	9.44
Other	75,596	8.85	9.44
623,014 iShares Core GBP Corporate Bond ETF	75,596	8.85	
Government bonds	123,986	14.52	22.09
United Kingdom	109,179	12.78	12.52
£16,261,000 UK Treasury 0% 07/05/2024	16,252	1.90	
£32,598,000 UK Treasury 0% 22/07/2024	32,219	3.77	
£28,479,000 UK Treasury 0% 12/08/2024	28,065	3.29	
£33,290,000 UK Treasury 0% 16/09/2024	32,643	3.82	
United States	0	0.00	4.15
South Africa	14,807	1.74	5.42
ZAR209,752,738 South Africa (Republic of) 8.25% 31/03/2032	7,449	0.88	
ZAR214,428,536 South Africa (Republic of) 8.875% 28/02/2035	7,358	0.86	
Debt derivatives	(4,749)	(0.56)	(1.16)
Interest rate futures	(4,749)	(0.56)	(1.16)
880 US Ultra Bond Jun 2024	(4,749)	(0.56)	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Currency	528	0.06	0.06
Forward currency contracts	528	0.06	0.06
US\$12,468,590 Bought for CNY88,707,784 (expires 10.07.24)	(3)	0.00	
€21,944,507 Bought for £18,885,660 (expires 31.07.24)	(49)	(0.01)	
HK\$151,896,806 Bought for £15,490,416 (expires 31.07.24)	30	0.00	
MXN390,000,000 Bought for £17,835,208 (expires 31.07.24)	218	0.03	
US\$123,671,795 Bought for £98,870,678 (expires 31.07.24)	(302)	(0.04)	
AU\$(16,482,840) Sold for £8,640,646 (expires 31.07.24)	38	0.00	
CNY(675,625,531) Sold for £3,492,107 (expires 31.07.24)	13	0.00	
HK\$(547,993,805) Sold for £56,097,688 (expires 31.07.24)	106	0.01	
CHF(18,650,000) Sold for £16,517,588 (expires 31.07.24)	41	0.01	
US\$23,781,743 Bought for TWD771,062,113 (expires 23.07.24)	49	0.01	
BRL107,000,000 Bought for \$20,250,194 (expires 22.07.24)	387	0.05	
Total portfolio	814,492	95.36	97.48
Net other assets/(liabilities)	39,663	4.64	2.52
Net assets attributable to shareholders	854,155	100.00	100.00

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

^a Related party.

Portfolio statement

Top portfolio transactions for the six months to 30 April 2024

Purchases	£'000
HSBC MSCI China ETF	41,714
UK Treasury 0% 29/04/2024	38,631
UK Treasury 0% 16/09/2024	32,623
UK Treasury 0% 22/07/2024	31,842
UK Treasury 0% 12/08/2024	27,964
iShares Core MSCI World ETF	25,332
UK Treasury 0% 07/05/2024	15,879
iShares MSCI EM Asia ETF	807
Vanguard FTSE Developed Europe Index ETF	21
Total purchases	214,813

Largest sales	£'000
UK Treasury 0% 29/04/2024	39,622
UK Treasury 0% 26/02/2024	38,787
UK Treasury 0% 06/11/2023	38,672
US Treasury 0% 08/02/2024	30,927
UK Treasury 3.75% 22/10/2053	20,863
HSBC MSCI China ETF	20,397
South Africa (Republic of) 8.25% 31/03/2032	13,995
iShares Core MSCI World ETF	13,917
South Africa (Republic of) 8.875% 28/02/2035	13,724
Vanguard FTSE Developed Europe Index ETF	5,321
Other sales	9,713
Total sales	245,938

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, historic prices, distribution rates, 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 'Comparative tables' for the share class launch dates.

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+13.3	+5.9	+5.9	+5.7
Class 'A' Accumulation	+13.3	+5.9	+5.9	+5.7
Class 'C' Income	+13.7	+6.7	+6.8	+6.9
Class 'I' Income	+13.4	+6.2	+6.2	+6.3
Class 'I' Accumulation	+13.4	+6.2	+6.2	+6.3
Class 'PP' Income	+13.5	+6.3	n/a	n/a
Class 'PP' Accumulation	+13.4	+6.3	+6.4	n/a
Class 'R' Income	+13.3	+6.0	+6.0	+6.1
Class 'R' Accumulation	+13.3	+6.0	+6.0	+6.1
Benchmark^b	+12.2	+2.2	+6.0	+8.5

^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.

Comparative tables

'Operating charges' is calculated as a percentage of average net asset value and represents an annual rate. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 1 October 2002.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	593,316	546,487	579,148
Number of shares	859,395,801	884,635,517	963,395,031
Closing NAV per share (UK p)	69.04	61.78	60.11
Operating charges (%)	1.05	1.05	1.05

Sterling Class 'C' Income shares

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

The share class was launched on 16 June 2011.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	17,276	15,145	13,388
Number of shares	21,108,927	20,786,341	19,073,434
Closing NAV per share (UK p)	81.84	72.86	70.19
Operating charges (%)	0.00	0.00	0.00

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	51,434	47,063	33,874
Number of shares	2,934,087	3,006,411	2,231,915
Closing NAV per share (UK p)	1,752.97	1,565.43	1,517.70
Operating charges (%)	0.65	0.65	0.65

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	894	845	849
Number of shares	700,908	741,908	769,696
Closing NAV per share (UK p)	127.54	113.84	110.26
Operating charges (%)	0.55	0.55	0.55

Sterling Class 'A' Accumulation shares

The share class was launched on 1 October 2002.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	52,041	45,292	40,558
Number of shares	46,434,837	45,840,771	43,560,359
Closing NAV per share (UK p)	112.07	98.80	93.11
Operating charges (%)	1.05	1.05	1.05

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	80,543	62,160	47,907
Number of shares	3,563,011	3,117,716	2,555,995
Closing NAV per share (UK p)	2,260.53	1,993.75	1,874.30
Operating charges (%)	0.65	0.65	0.65

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	1,261	953	941
Number of shares	918,992	787,392	827,215
Closing NAV per share (UK p)	137.24	121.00	113.70
Operating charges (%)	0.55	0.55	0.55

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	8,953	8,195	8,145
Number of shares	5,233,713	5,357,574	5,478,821
Closing NAV per share (UK p)	171.07	152.96	148.67
Operating charges (%)	0.90	0.90	0.90

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	48,437	44,441	43,952
Number of shares	21,856,199	22,758,916	23,915,172
Closing NAV per share (UK p)	221.62	195.27	183.78
Operating charges (%)	0.90	0.90	0.90

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		94,089		60,738
Revenue	11,192		5,256	
Expenses	(3,928)		(3,885)	
Interest payable and similar charges	(9)		0	
Net revenue/(expense) before taxation	7,255		1,371	
Taxation	(1)		0	
Net revenue/(expense) after taxation		7,254		1,371
Total return before distributions		101,343		62,109
Distributions		(10,472)		(4,640)
Change in net assets attributable to shareholders from investment activities		90,871		57,469

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		770,581		768,762
Amounts received on issue of shares	26,794		28,181	
Amounts paid on cancellation of shares	(35,749)		(40,848)	
		(8,955)		(12,667)
Dilution adjustments		19		19
Change in net assets attributable to shareholders from investment activities (see above)		90,871		57,469
Retained distributions on Accumulation shares		1,633		341
Unclaimed distributions		6		2
Closing net assets attributable to shareholders		854,155		813,926

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2024 £'000	31 October 2023 £'000
Assets		
Fixed assets		
Investments	819,595	760,930
Current assets		
Debtors	21,193	736
Cash and bank balances	22,346	25,972
Total assets	863,134	787,638
Liabilities		
Investment liabilities	(5,103)	(9,744)
Creditors		
Distribution payable	(2,891)	(6,298)
Other creditors	(985)	(1,015)
Total liabilities	(8,979)	(17,057)
Net assets attributable to shareholders	854,155	770,581

Financial statements and notes

Notes to the financial statements

Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 4.

Distribution policy

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

Authorised Corporate Director’s Report

For the purposes of these financial statements, the Prospectus dated 26 April 2024 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.

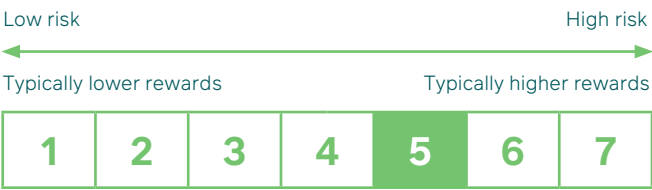
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

Risk profile

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

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the six months ended 30 April 2024

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 12.3% over the six 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 6.6% pa over five years.

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

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

Performance review

The six month period under review saw very strong equity market performance overall, with US, Japanese and European shares all registering double digit returns. In emerging markets, a notable laggard was China, as investors fretted over weakness in its economy. Bond markets also recorded positive returns, with investors favouring corporate and emerging market sovereign debt, over developed market government bonds.

The final two months of 2023, saw a powerful rally in bond and equity markets. Following encouraging inflation data and indications of a 'policy pivot' to rate cuts by the US Federal Reserve, the US 10-year Treasury yield fell sharply in November and December. Other core sovereign bond markets, including the UK and Germany also enjoyed significant rallies, as did emerging market sovereign bonds. The rebound in government bonds, together with increasing risk

appetite, was reflected in good performance from corporate bonds as well.

Alongside falling bond yields, equities also began to climb from late October as investor risk appetite improved and by the end of 2023, the MSCI AC World Index had recorded its best annual return since 2019.

However, the fortunes of equities and bonds diverged in the first quarter of 2024. While global equity markets recorded solid gains (partly driven by continued investor appetite for artificial intelligence-related stocks), the rally in bond markets at the end of 2023 faded, as investors pushed back the timing of interest rate cuts by central banks. Bond yields rose in January and February before recovering somewhat in March. Bond yields rise as bond prices fall.

In general, both equities and bonds were weaker in April. This was mainly due to growing evidence of sticky US inflation, which raised questions as to whether the US Federal Reserve would be able to cut rates this year.

Shifting rate expectations led to US dollar strength versus most currencies, notably the Japanese yen, which hit a multi-decade low.

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

Four funds made significant contributions to performance – the M&G North American Value Fund, the M&G (Lux) Pan European Sustain Paris Aligned Fund, the M&G Global Sustain Paris Aligned Fund and the M&G Japan Fund.

The M&G North American Value Fund invests in cheap and out-of-favour companies, whose share price, in the opinion of the fund manager, does not reflect accurately the valuation of the business. The M&G (Lux) Pan European Sustain Paris Aligned and the M&G Global Sustain Paris Aligned Fund are funds that invest in companies that contribute towards climate change

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goals. While the M&G Japan Fund primarily invests in Japanese companies. The performance of Japan's stockmarket in the period, was helped by the country's improving corporate governance, stronger profitability, attractive valuations and supportive monetary policy.

A fund that invests in US financial stocks was also a significant contributor to performance.

Investment activities

Early in the review period we sold a 3% position in long-dated US Treasuries which was added tactically in October (before the start of the review period), as well as a similar-sized position in US financials. These were replaced with a broad range of global equity exposure, including funds that invest in the UK, Asia ex Japan and globally.

In mid-February 2024, we added a 4% tactical position in the MSCI China, in response to episodic price declines and de-rating. This was funded by trimming positions in the M&G Global Sustain Paris Aligned Fund, the M&G Global Themes Fund and the M&G Japan Fund.

Towards the end of the first quarter of 2024, we closed a 5% holding in US financials and invested the proceeds in a mixture of cash and 30-year UK gilts. We scaled back our equity exposure following recent strong gains, which have compressed valuations and given investors an increased sense of comfort around the asset. We closed the US financials sector position as we felt valuations now more fairly reflected fundamentals in our view.

In April 2024, we closed the fund's 4% MSCI China position (which was added in mid-February) and invested the capital in global equities outside the US. Strong subsequent absolute and relative performance has unwound the most episodic price action, so we scaled back positions accordingly.

The majority of the fund remains invested in equities, which we believe will most likely be the primary driver of returns. The changes made over the review period have slightly increased the portfolio's cash balance,

giving more flexibility to respond to investment opportunities as they arise.

Outlook

The concurrent weakness in bonds and equities (outside of China), could be suggestive that rising interest rates are becoming a worry for growth and/or discount rates once again.

However, sentiment remains relaxed in aggregate. Rate pressure is being interpreted as a cyclical rather than a structural issue, with language like 'stickiness' revealing the widespread faith that inflation will fall eventually.

Positive manufacturing data and improvements in China and Europe have also been supportive for already sanguine market beliefs about global growth.

Overall equity valuations look demanding in aggregate, although not detached from recent robust earnings/fundamentals. Overall, we favour equity exposure outside the US. Within fixed income, developed market bonds have the potential to offer portfolio insurance if growth disappoints, whilst emerging market sovereign bonds present attractive real and nominal yields, in our view. Cash real yields are elevated and attractive and uncorrelated with other asset classes. Its liquidity, provides flexibility to respond to tactical opportunities.

Craig Simpson

Fund manager

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

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

Portfolio statement

Investments

Holding		as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities		844,524	87.74	91.67
Equity portfolios		844,524	87.74	91.67
United Kingdom		81,984	8.52	6.49
28,231,285	M&G Recovery Fund Sterling Class 'C' Income ^a	34,290	3.56	
1,650,244	M&G UK Sustain Paris Aligned Fund Sterling Class 'A' Income ^a	47,694	4.96	
United States		124,054	12.89	20.51
1,135,365	M&G North American Dividend Fund Sterling Class 'A' Income ^a	39,614	4.12	
43,919,940	M&G North American Value Fund Sterling Class 'A' Income ^a	84,440	8.77	
Japan		76,829	7.98	9.14
101,064,396	M&G Japan Fund Sterling Class 'A' Income ^a	76,829	7.98	
Asia Pacific		66,507	6.91	5.72
4,210,675	M&G Asian Fund Sterling Class 'A' Income ^a	66,507	6.91	
Other		495,150	51.44	49.81
7,114,818	M&G (Lux) Episode Macro Fund Sterling Class 'SI-H' Accumulation ^a	91,922	9.55	
2,931,874	M&G (Lux) European Strategic Value Fund Euro Class 'C' Accumulation ^a	39,307	4.08	
1,861,939	M&G (Lux) Global Target Return Fund Euro Class 'CI' Accumulation ^a	19,033	1.98	
3,335,536	M&G (Lux) Pan European Sustain Paris Aligned Fund Euro Class 'A' Accumulation ^a	90,532	9.41	
22,271,610	M&G Global Emerging Markets Fund Sterling Class 'A' Income ^a	64,557	6.71	
15,528,022	M&G Global Strategic Value Fund Sterling Class 'I' Accumulation ^a	43,750	4.54	
11,422,249	M&G Global Sustain Paris Aligned Fund Sterling Class 'A' Income ^a	78,961	8.20	
2,166,562	M&G Global Themes Fund Sterling Class 'A' Income ^a	28,581	2.97	
1,564,799	Xtrackers MSCI World ex USA ETF	38,507	4.00	
Fixed income		111,385	11.57	8.09
Fixed income portfolios		42,283	4.39	8.09
Other		42,283	4.39	8.09
13,833,734	iShares \$ Treasury Bond 20+yr ETF	42,283	4.39	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Government bonds	69,102	7.18	0.00
United Kingdom	69,102	7.18	0.00
£43,100,000 UK Treasury 0% 09/09/2024	42,304	4.40	
£28,547,000 UK Treasury 4.375% 31/07/2054	26,798	2.78	
Currency	501	0.05	0.05
Forward currency contracts	501	0.05	0.05
US\$6,984,477 Bought for CNY49,691,061 (expires 10.07.24)	(2)	0.00	
HK\$220,184,523 Bought for £22,454,388 (expires 31.07.24)	43	0.00	
US\$48,335,489 Bought for £38,496,850 (expires 01.05.24)	47	0.01	
US\$6,208,347 Bought for £4,963,326 (expires 31.07.24)	(15)	0.00	
AU\$(12,014,327) Sold for £6,298,159 (expires 31.07.24)	28	0.00	
CHF(11,308,120) Sold for £10,015,167 (expires 31.07.24)	25	0.00	
DKK(183,505,867) Sold for £21,199,863 (expires 31.07.24)	60	0.01	
€(75,498,719) Sold for £64,951,609 (expires 31.07.24)	147	0.02	
HK\$(174,768,047) Sold for £17,894,447 (expires 31.07.24)	37	0.00	
¥(8,063,186,634) Sold for £41,647,609 (expires 31.07.24)	132	0.01	
CNY49,691,061 Bought for \$6,987,915 (expires 10.07.24)	(1)	0.00	
Total portfolio	956,410	99.36	99.81
Net other assets/(liabilities)	6,130	0.64	0.19
Net assets attributable to shareholders	962,540	100.00	100.00

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

^a Related party.

Portfolio statement

Top portfolio transactions for the six months to 30 April 2024

Purchases	£'000
UK Treasury 0% 09/09/2024	42,036
Xtrackers MSCI World ex USA ETF	38,574
HSBC MSCI CHINA	37,193
UK Treasury 4.375% 31/07/2054	28,253
M&G UK Sustain Paris Aligned Fund Sterling Class 'A' Income ^a	20,017
M&G Asian Fund Sterling Class 'A' Income ^a	11,739
M&G Global Strategic Value Fund Sterling Class 'I' Accumulation ^a	9,741
Other purchases	309
Total purchases	187,862

Sales	£'000
Invesco Financials S&P US Select Sector ETF	76,634
HSBC MSCI CHINA	41,510
iShares \$ Treasury Bond 20+yr ETF	28,280
M&G Global Sustain Paris Aligned Fund Sterling Class 'A' Income ^a	12,493
M&G Japan Fund Sterling Class 'A' Income ^a	10,867
M&G Global Themes Fund Sterling Class 'A' Income ^a	7,932
Other sales	200
Total sales	177,916

^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, historic prices, distribution rates, 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 'Comparative tables' for the share class launch dates.

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+15.2	+7.7	+7.9	+8.3
Class 'A' Accumulation	+15.3	+7.8	+8.0	+8.5
Class 'C' Income	+15.6	+8.4	+8.9	+9.5
Class 'I' Income	+15.3	+7.9	+8.2	+8.8
Class 'I' Accumulation	+15.3	+7.9	+8.2	+8.8
Class 'PP' Income	+15.3	+8.0	n/a	n/a
Class 'PP' Accumulation	+15.3	+8.0	+8.4	n/a
Class 'R' Income	+15.2	+7.7	+8.0	+8.6
Class 'R' Accumulation	+15.2	+7.7	+8.0	+8.6
Benchmark^b	+12.3	+2.2	+6.6	+9.9

^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.

Comparative tables

'Operating charges' is calculated as a percentage of average net asset value and represents an annual rate. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 1 October 2002.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	467,066	419,805	444,289
Number of shares	325,745,236	334,932,501	367,651,936
Closing NAV per share (UK p)	143.38	125.34	120.84
Operating charges (%)	1.05	1.05	1.06

Sterling Class 'C' Income shares

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

The share class was launched on 21 June 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	171,626	151,922	150,362
Number of shares	109,752,748	111,625,287	115,495,717
Closing NAV per share (UK p)	156.37	136.10	130.19
Operating charges (%)	0.00	0.00	0.01

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	69,966	61,495	45,860
Number of shares	3,309,856	3,331,758	2,583,286
Closing NAV per share (UK p)	2,113.88	1,845.71	1,775.25
Operating charges (%)	0.65	0.65	0.66

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	1,390	1,407	1,004
Number of shares	1,028,784	1,193,784	886,424
Closing NAV per share (UK p)	135.06	117.87	113.27
Operating charges (%)	0.55	0.55	0.56

Sterling Class 'A' Accumulation shares

The share class was launched on 1 October 2002.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	59,453	50,604	45,316
Number of shares	32,449,558	31,811,609	30,295,815
Closing NAV per share (UK p)	183.22	159.07	149.58
Operating charges (%)	1.05	1.05	1.06

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	126,257	89,637	73,813
Number of shares	4,901,157	4,012,727	3,510,550
Closing NAV per share (UK p)	2,576.06	2,233.82	2,102.61
Operating charges (%)	0.65	0.65	0.66

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	3,158	2,828	2,092
Number of shares	2,098,166	2,167,338	1,705,576
Closing NAV per share (UK p)	150.53	130.48	122.64
Operating charges (%)	0.55	0.55	0.56

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	7,182	6,324	6,247
Number of shares	3,461,038	3,486,093	3,571,511
Closing NAV per share (UK p)	207.50	181.40	174.91
Operating charges (%)	0.90	0.90	0.91

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	56,442	50,327	49,737
Number of shares	22,452,657	23,064,165	24,179,104
Closing NAV per share (UK p)	251.38	218.20	205.70
Operating charges (%)	0.90	0.90	0.91

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		124,476		57,471
Revenue	7,291		6,140	
Expenses	(3,522)		(3,333)	
Interest payable and similar charges	(11)		(1)	
Net revenue/(expense) before taxation	3,758		2,806	
Taxation	(1)		0	
Net revenue/(expense) after taxation		3,757		2,806
Total return before distributions		128,233		60,277
Distributions		(6,019)		(4,912)
Change in net assets attributable to shareholders from investment activities		122,214		55,365

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		834,349		818,720
Amounts received on issue of shares	39,106		18,452	
Amounts paid on cancellation of shares	(33,956)		(33,957)	
		5,150		(15,505)
Dilution adjustments		3		4
Change in net assets attributable to shareholders from investment activities (see above)		122,214		55,365
Retained distributions on Accumulation shares		818		620
Unclaimed distributions		6		2
Closing net assets attributable to shareholders		962,540		859,206

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2024 £'000	31 October 2023 £'000
Assets		
Fixed assets		
Investments	956,428	833,112
Current assets		
Debtors	42,852	4,826
Cash and bank balances	8,026	8,251
Total assets	1,007,306	846,189
Liabilities		
Investment liabilities	(18)	(344)
Creditors		
Distribution payable	(5,171)	(10,589)
Other creditors	(39,577)	(907)
Total liabilities	(44,766)	(11,840)
Net assets attributable to shareholders	962,540	834,349

Financial statements and notes

Notes to the financial statements

Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 4.

Distribution policy

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

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For the purposes of these financial statements, the Prospectus dated 26 April 2024 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

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.

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 changed during this period. From 1 November 2023 to 19 November 2023 the risk number was 4.

Investment review

For the six months ended 30 April 2024

Performance against objective

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

The fund's objective is to provide a combination of capital growth and income of 4-8% per annum, net of the ongoing charge figure over any five-year period, while applying environmental, social and governance (ESG) and impact criteria. Over five years, the fund has not met its objective; the annualised five-year return for the Sterling Class 'I' Accumulation share was 2.8% pa (net of fees).

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

Financial markets ended 2023 on the front foot as investors became increasingly confident with the notion that the peak in central bank interest rates had passed. The market's 'higher-for-longer' view on rates gradually

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gave way as the final quarter progressed following a series of weaker economic data releases in the US and Europe and a shift in tone from the US Federal Reserve.

Nearly all asset classes in the fund delivered positive performance over this initial period, led by its broad-based equity exposure, capping a positive calendar year of performance for the fund overall. Holdings in the US tech equity space and some of our 'positive impact' equity investments registered impressive returns. The fund's exposure to fixed income assets, via a selection of developed market government bonds, also aided returns given the yields on these instruments fell from late October into the end of the year. UK gilts exposure was a valuable performance contributor here following our decision to increase our exposure to the asset class earlier in the year.

The fund went on to register a positive (but more measured) start to 2024 as investors toasted an improving economic growth outlook but a slowing disinflationary environment. As a result of this backdrop there was a significant reappraisal of interest rate cut expectations during the first few months of the year, but this was not enough to spoil rallies in most equity markets (with several equity indices reaching all-time highs). However, the performance of many government bond markets was more subdued as government bond yields began to climb higher once again.

The fund was able to register a small positive return through this period thanks to its broad equity exposure. Allocations to equities in the US, Denmark, Germany and Japan were leading contributors. Our investment approach tends to favour undervalued parts of the market and, from a fund point of view, it was encouraging to see some of these areas match or surpass US equity market strength. The fund's tactical exposure to Hong Kong/China equities was a valuable performance contributor as the country's equity market rebounded from downbeat economic news and widespread investor pessimism in 2023.

In the fixed income space, losses were mainly driven by the fund's diversified holdings of developed market government bonds and supranational bonds.

Unfortunately, the fund's exposure to listed green infrastructure assets continued to disappoint after a difficult 2023. While these income-producing assets made up only a small part of the portfolio, their price behaviour continued to largely reflect bond market fears of receding interest rate cut expectations. The fund has maintained a diverse range of holdings within its positive impact asset bucket. At the end of the reporting period, 58% of the fund was allocated to positive impact investments: those that aim to have a positive impact through actively addressing today's big environmental and social challenges. The overall score for the portfolio ended the period with an average MSCI ESG score of 7.7, which equates to an MSCI ESG rating of AA.

Investment activities

From a multi-asset portfolio point of view, it was encouraging to observe some signs of a decoupling between equity and bond price behaviour during the six months under review, particularly towards the end of the period.

We continued to try and take advantage of any valuation-led opportunities as they occurred. For example, a decision to add tactical exposure to Hong Kong/China equities in January rewarded the fund in the following months as Chinese markets bounced back from levels of market pessimism that felt detached from economic fundamentals.

Our optimism over the prospects for sectors such as clean energy remain undiminished and we took the opportunity to add to several names that stand to benefit from the green energy transition, including EDP Renováveis, Enphase Energy and Vestas Wind Systems.

In the bond space, the fund reduced its holdings of 5-year US Treasuries in favour of 30-year German bunds. Our view was that bunds would likely offer better diversification properties given the weaker economic prospects in Europe compared to the US.

In March, we recycled some names among the fund's positive impact equity holdings to reflect the latest recommendations from M&G's impact investing team.

Authorised Corporate Director's Report

Outlook

From a multi-asset portfolio perspective it has been encouraging to observe signs of a return to a decoupling in equity/bond price behaviour during this latest phase, as major equity indices continued to be resilient despite ongoing interest rate pressure. Developed market government bonds' recent sell-off generates both concern and opportunity. Strategically, it enhances their potential to provide portfolio insurance, so we're content to stay slightly long in the asset class, while acknowledging that news flow remains unsupportive for the time being.

In equities, aggregate valuations are demanding, though not detached from strong recent earnings/fundamentals. We favour markets where 'margins of safety' exist, notably in China and parts of Europe. We feel that valuation metrics still warrant a degree of caution with regard to the US.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities	22,110	44.52	41.24
United Kingdom	2,928	5.89	5.78
UK equities	2,928	5.89	5.78
7,706 Bank of Georgia	417	0.84	
89,378 DS Smith	314	0.63	
528,209 Greencoat UK Wind	748	1.51	
685,199 Home REIT ^a	97	0.19	
92,086 Marks & Spencer	239	0.48	
914,892 Octopus Renewables Infrastructure Trust	670	1.35	
28,230 Segro REIT	242	0.49	
24,575 WPP	201	0.40	
Denmark	955	1.92	2.11
Danish equities	955	1.92	2.11
16,097 ALK-Abelló	242	0.49	
2,497 Novo Nordisk	258	0.52	
6,665 Ørsted	294	0.59	
7,524 Vestas Wind Systems	161	0.32	
France	1,172	2.36	2.41
French equities	1,172	2.36	2.41
1,819 Capgemini	319	0.64	
5,654 Danone	284	0.57	
600 L'Oréal	227	0.46	
1,839 Schneider Electric	342	0.69	
Germany	1,058	2.13	1.88
German equities	1,058	2.13	1.88
7,678 Fresenius Medical Care	255	0.51	
4,408 Mercedes-Benz	270	0.55	
690 Münchener Rückversicherungs-Gesellschaft	244	0.49	
1,976 SAP	289	0.58	
Guernsey	715	1.44	1.45
Guernsey equities	715	1.44	1.45
707,738 Renewables Infrastructure	715	1.44	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
Ireland	715	1.44	1.38
Irish equities	715	1.44	1.38
971,338 Greencoat Renewables ^b	715	1.44	
Italy	511	1.03	0.97
Italian equities	511	1.03	0.97
13,729 Assicurazioni Generali	269	0.54	
37,579 Terna	242	0.49	
Netherlands	301	0.61	0.53
Dutch equities	301	0.61	0.53
23,649 ING	301	0.61	
Spain	942	1.90	1.64
Spanish equities	942	1.90	1.64
4,502 Amadeus IT	230	0.46	
23,672 EDP Renováveis	260	0.53	
125,681 Telefónica	452	0.91	
United States	7,380	14.86	13.09
US equities	7,380	14.86	13.09
2,246 Agilent Technologies	250	0.50	
3,335 Alphabet	442	0.89	
1,898 American Express	362	0.73	
2,457 AMERISAFE	88	0.18	
1,098 Ansys	288	0.58	
1,799 Apple	250	0.50	
484 Autodesk	84	0.17	
5,910 Ball	333	0.67	
8,549 Bank of New York Mellon	391	0.79	
516 Becton Dickinson	96	0.19	
3,053 Bright Horizons Family Solutions	258	0.52	
7,314 Cisco Systems	279	0.56	
2,394 eBay	100	0.20	
3,098 Enphase Energy	279	0.56	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
United States (continued)			
US equities (continued)			
15,379 Hannon Armstrong Sustainable Infrastructure Capital REIT	312	0.63	
1,563 Illumina	155	0.31	
8,509 Intel	212	0.43	
5,576 Johnson Controls International	290	0.58	
481 Lam Research	356	0.72	
1,085 Microsoft	347	0.70	
1,676 onsemi	95	0.19	
2,349 PNC Financial Services	292	0.59	
2,857 Quest Diagnostics	318	0.64	
1,827 Republic Services	282	0.57	
1,281 SolarEdge Technologies	61	0.12	
213 Thermo Fisher Scientific	98	0.20	
759 UnitedHealth	296	0.60	
8,011 Verizon Communications	256	0.52	
1,134 Visa	246	0.49	
2,495 Xylem	264	0.53	
Canada	188	0.38	0.45
Canadian equities	188	0.38	0.45
11,848 Boralex	188	0.38	
Brazil	172	0.35	0.79
Brazilian equities	172	0.35	0.79
116,574 AES Brasil Energia	172	0.35	
Japan	1,239	2.49	2.34
Japanese equities	1,239	2.49	2.34
8,400 Dai-ichi Life	156	0.31	
2,500 Hitachi	186	0.38	
3,270 Horiba	258	0.52	
25,200 Katitas	245	0.49	
18,865 Panasonic	133	0.27	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
Japan (continued)			
Japanese equities (continued)			
1,900 Sony	126	0.25	
6,400 Takeda Pharmaceutical	135	0.27	
Australia	523	1.05	1.06
Australian equities	523	1.05	1.06
37,417 Brambles	284	0.57	
1,409 Cochlear	239	0.48	
China	304	0.61	0.00
Chinese equities	304	0.61	0.00
83,000 Ping An Insurance	304	0.61	
Hong Kong	1,181	2.38	1.56
Hong Kong equities	1,181	2.38	1.56
59,952 AIA	352	0.71	
11,700 Hong Kong Exchanges and Clearing	300	0.61	
292,000 Lenovo	265	0.53	
159,200 Swire Properties	264	0.53	
India	252	0.51	0.47
Indian equities	252	0.51	0.47
5,453 HDFC Bank ADR	252	0.51	
Indonesia	157	0.32	0.00
Indonesian equities	157	0.32	0.00
650,000 Bank Rakyat Indonesia	157	0.32	
South Korea	240	0.48	0.48
South Korean equities	240	0.48	0.48
5,371 Samsung Electronics	240	0.48	
Taiwan	1,177	2.37	2.18
Taiwanese equities	1,177	2.37	2.18
74,000 ASE Technology	267	0.54	
217,073 Cathay Financial	268	0.54	
466,217 E.Sun Financial	313	0.63	
17,000 Taiwan Semiconductor Manufacturing	329	0.66	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
South Africa	0	0.00	0.67
South African equities	0	0.00	0.67
Fixed income	26,076	52.50	52.59
United Kingdom	11,282	22.71	27.99
Government bonds	10,586	21.31	26.45
£938,000 UK Treasury 0% 10/06/2024	933	1.88	
£3,437,000 UK Treasury 0% 17/06/2024	3,414	6.87	
£483,000 UK Treasury 0% 29/07/2024	477	0.96	
£1,138,000 UK Treasury 0% 05/08/2024	1,123	2.26	
£530,000 UK Treasury 0% 12/08/2024	522	1.05	
£829,000 UK Treasury 0% 30/09/2024	811	1.63	
£3,083,000 UK Treasury 0.875% 31/07/2033	2,289	4.61	
£2,065,000 UK Treasury 1.5% 31/07/2053	1,017	2.05	
Investment grade corporate bonds	696	1.40	1.54
IDR10,060,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	453	0.91	
€303,000 Vodafone 0.9% 24/11/2026	243	0.49	
Belgium	241	0.49	0.59
Investment grade corporate bonds	241	0.49	0.59
€300,000 KBC Var. Rate 0.25% 01/03/2027	241	0.49	
France	988	1.99	2.01
Investment grade corporate bonds	747	1.50	1.54
US\$307,000 EDF 3.625% 13/10/2025	238	0.48	
€300,000 Société Générale Var. Rate 0.875% 22/09/2028	232	0.46	
€332,000 Unibail-Rodamco-Westfield 1% 14/03/2025	277	0.56	
Below investment grade corporate bonds	241	0.49	0.47
€296,000 Renault 1% 28/11/2025	241	0.49	
Germany	2,848	5.73	1.99
Government bonds	2,373	4.78	0.98
€1,100,523 Germany (Federal Republic of) 0% 15/08/2030	807	1.63	
€1,175,000 Germany (Federal Republic of) 1.8% 15/08/2053	829	1.67	
€876,000 Germany (Federal Republic of) 2.3% 15/02/2033	737	1.48	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Germany (continued)			
Investment grade corporate bonds	320	0.64	0.65
€326,000 Mercedes-Benz 0.75% 10/09/2030	239	0.48	
€118,000 Mercedes-Benz 0.75% 11/03/2033	81	0.16	
Below investment grade corporate bonds	155	0.31	0.36
€200,000 ZF Finance 2.25% 03/05/2028	155	0.31	
Italy	427	0.86	0.93
Government bonds	240	0.48	0.47
€277,000 Italy (Republic of) 4% 30/04/2035	240	0.48	
Investment grade corporate bonds	187	0.38	0.46
€213,000 Intesa Sanpaolo 4.75% 06/09/2027	187	0.38	
Luxembourg	1,802	3.63	2.14
Investment grade corporate bonds	1,802	3.63	2.14
ZAR26,930,000 European Investment Bank 0% 18/10/2032	486	0.98	
US\$1,776,000 European Investment Bank 3.75% 14/02/2033	1,316	2.65	
Netherlands	319	0.64	0.58
Investment grade corporate bonds	319	0.64	0.58
€100,000 EDP Finance 0.375% 16/09/2026	79	0.16	
€300,000 ING 2.5% 15/11/2030	240	0.48	
Portugal	242	0.49	0.79
Investment grade corporate bonds	242	0.49	0.79
€300,000 EDP - Energias de Portugal 1.625% 15/04/2027	242	0.49	
Sweden	505	1.02	1.02
Investment grade corporate bonds	273	0.55	0.47
€343,000 Swedbank Var. Rate 0.3% 20/05/2027	273	0.55	
Below investment grade corporate bonds	232	0.47	0.55
€143,000 Volvo Car 2.5% 07/10/2027	116	0.23	
€136,000 Volvo Car 4.25% 31/05/2028	116	0.24	
United States	5,838	11.75	11.90
Investment grade corporate bonds	5,392	10.85	11.00
€100,000 Apple 0% 15/11/2025	81	0.16	
US\$324,000 Apple 3% 20/06/2027	243	0.49	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
United States (continued)			
Investment grade corporate bonds (continued)			
US\$229,000 Boston Properties 2.55% 01/04/2032	140	0.28	
US\$194,000 Boston Properties 4.5% 01/12/2028	144	0.29	
US\$312,000 HCA 5.45% 01/04/2031	245	0.49	
US\$1,333,000 Inter-American Development Bank 4.375% 24/01/2044	963	1.94	
IDR4,900,000,000 Inter-American Development Bank 5.1% 17/11/2026	231	0.46	
US\$1,656,000 International Bank for Reconstruction & Development 0.75% 26/08/2030	1,033	2.08	
MXN17,130,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	723	1.46	
BRL4,800,000 International Bank for Reconstruction & Development 5% 22/01/2026	700	1.41	
INR49,000,000 International Bank for Reconstruction & Development 6.85% 24/04/2028	461	0.93	
US\$232,000 Prologis 1.25% 15/10/2030	144	0.29	
US\$202,000 Xylem 1.95% 30/01/2028	143	0.29	
US\$215,000 Xylem 2.25% 30/01/2031	141	0.28	
Below investment grade corporate bonds	446	0.90	0.90
US\$115,000 Ball 2.875% 15/08/2030	77	0.16	
US\$211,000 Ball 3.125% 15/09/2031	140	0.28	
US\$225,000 DaVita 3.75% 15/02/2031	148	0.30	
US\$116,000 DaVita 4.625% 01/06/2030	81	0.16	
Chile	994	2.00	2.76
Government bonds	994	2.00	2.76
€864,000 Chile (Republic of) 1.25% 29/01/2040	503	1.01	
CLP600,000,000 Chile (Republic of) 5% 01/10/2028	491	0.99	
Colombia	452	0.91	1.21
Government bonds	452	0.91	1.21
COP2,595,500,000 Colombia (Republic of) 7% 26/03/2031	452	0.91	
Mexico	227	0.46	0.00
Government bonds	227	0.46	0.00
MXN5,580,000 Mexico (United Mexican States) 8% 24/05/2035	227	0.46	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Debt derivatives	(89)	(0.18)	(1.32)
Interest rate futures	(89)	(0.18)	(1.32)
14 10 Year US Treasury Note Jun 2024	(28)	(0.06)	
10 US Ultra Bond Jun 2024	(61)	(0.12)	
Fixed income portfolios	186	0.37	0.00
Other	186	0.37	0.00
31,885 iShares EUR Corporate Bond ESG ETF	128	0.26	
15,732 iShares USD Corporate Bond ESG ETF	58	0.11	
Currency	78	0.16	0.02
Forward currency contracts	78	0.16	0.02
AU\$(1,060,075) Sold for £555,713 (expires 31.07.24)	2	0.00	
CA\$(368,540) Sold for £216,162 (expires 31.07.24)	1	0.00	
DKK(8,217,405) Sold for £949,331 (expires 31.07.24)	3	0.01	
€(12,966,637) Sold for £11,166,544 (expires 31.07.24)	37	0.07	
HK\$(14,078,240) Sold for £1,441,467 (expires 31.07.24)	3	0.01	
US\$(11,987,183) Sold for £9,582,744 (expires 31.07.24)	29	0.06	
US\$1,516,330 Bought for TWD49,163,115 (expires 23.07.24)	3	0.01	
Total portfolio	48,450	97.55	93.85
Net other assets/(liabilities)	1,219	2.45	6.15
Net assets attributable to shareholders	49,669	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 six months to 30 April 2024

Largest purchases	£'000
UK Treasury 0% 17/06/2024	3,362
European Investment Bank 3.75% 14/02/2033	1,348
UK Treasury 0% 05/08/2024	1,117
International Bank for Reconstruction & Development 0.75% 26/08/2030	1,042
UK Treasury 0% 10/06/2024	923
Germany (Federal Republic of) 1.8% 15/08/2053	823
UK Treasury 0% 30/09/2024	809
UK Treasury 0.875% 31/07/2033	758
Germany (Federal Republic of) 2.3% 15/02/2033	745
UK Treasury 0% 12/08/2024	517
Other purchases	8,736
Total purchases	20,180

Largest sales	£'000
UK Treasury 0% 15/01/2024	3,358
UK Treasury 0% 04/12/2023	1,794
UK Treasury 0% 19/02/2024	1,356
UK Treasury 0% 20/11/2023	949
UK Treasury 0% 22/01/2024	888
Inter-American Development Bank 1.375% 15/12/2024	872
European Investment Bank 0% 18/10/2032	456
Chile (Republic of) 5% 01/10/2028	438
International Bank for Reconstruction & Development 0% 30/01/2024	435
UK Treasury 0% 02/04/2024	424
Other sales	2,335
Total sales	13,305

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, historic prices, distribution rates, 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 'Comparative tables' for the share class launch dates.

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+8.7	-0.3	+2.5	n/a
Class 'A' Accumulation	+8.7	-0.3	+2.5	n/a
Class 'I' Income	+8.8	+0.0	+2.8	n/a
Class 'I' Accumulation	+8.8	+0.0	+2.8	n/a
Class 'L' Income	+8.9	+0.2	+3.0	n/a
Class 'L' Accumulation	+8.9	+0.2	+3.0	n/a
Class 'PP' Income	+8.9	+0.1	n/a	n/a
Class 'PP' Accumulation	+8.9	+0.1	+2.9	n/a
Class 'R' Income	+8.7	-0.2	+2.6	n/a
Class 'R' Accumulation	+8.7	-0.2	+2.6	n/a

^a Not annualised.

Comparative tables

'Operating charges' is calculated as a percentage of average net asset value and represents an annual rate. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 20 February 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	910	929	961
Number of shares	919,591	1,007,005	1,015,265
Closing NAV per share (UK p)	98.94	92.23	94.70
Operating charges (%)	1.13	1.13	1.14

Sterling Class 'I' Income shares

The share class was launched on 20 February 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	4,163	4,472	3,422
Number of shares	4,107,109	4,743,422	3,548,733
Closing NAV per share (UK p)	101.35	94.29	96.42
Operating charges (%)	0.73	0.73	0.74

Sterling Class 'L' Income shares

The share class was launched on 20 February 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	21	20	20
Number of shares	20,700	20,700	20,700
Closing NAV per share (UK p)	102.41	95.18	97.21
Operating charges (%)	0.53	0.53	0.54

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	422	302	317
Number of shares	424,893	327,385	335,653
Closing NAV per share (UK p)	99.29	92.32	94.32
Operating charges (%)	0.63	0.63	0.64

Sterling Class 'A' Accumulation shares

The share class was launched on 20 February 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	443	350	330
Number of shares	383,414	330,175	313,997
Closing NAV per share (UK p)	115.59	105.95	105.07
Operating charges (%)	1.13	1.13	1.14

Sterling Class 'I' Accumulation shares

The share class was launched on 20 February 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	14,771	12,336	8,750
Number of shares	12,534,478	11,439,345	8,208,180
Closing NAV per share (UK p)	117.84	107.84	106.60
Operating charges (%)	0.73	0.73	0.74

Sterling Class 'L' Accumulation shares

The share class was launched on 20 February 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	26,622	20,212	19,685
Number of shares	22,390,433	18,590,154	18,345,597
Closing NAV per share (UK p)	118.90	108.72	107.30
Operating charges (%)	0.53	0.53	0.54

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	1,161	1,052	1,021
Number of shares	1,003,584	993,330	976,257
Closing NAV per share (UK p)	115.73	105.87	104.57
Operating charges (%)	0.63	0.63	0.64

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 20 February 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	212	179	154
Number of shares	211,672	192,444	161,422
Closing NAV per share (UK p)	99.98	93.13	95.49
Operating charges (%)	0.98	0.98	0.99

Sterling Class 'R' Accumulation shares

The share class was launched on 20 February 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	944	899	940
Number of shares	809,160	841,687	888,081
Closing NAV per share (UK p)	116.62	106.83	105.82
Operating charges (%)	0.98	0.98	0.99

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		3,186		1,845
Revenue	869		653	
Expenses	(127)		(105)	
Interest payable and similar charges	(1)		(1)	
Net revenue/(expense) before taxation	741		547	
Taxation	(118)		(84)	
Net revenue/(expense) after taxation		623		463
Total return before distributions		3,809		2,308
Distributions		(644)		(483)
Change in net assets attributable to shareholders from investment activities		3,165		1,825

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		40,751		35,600
Amounts received on issue of shares	7,044		3,298	
Amounts paid on cancellation of shares	(1,859)		(899)	
		5,185		2,399
Dilution adjustments		11		5
Change in net assets attributable to shareholders from investment activities (see above)		3,165		1,825
Retained distributions on Accumulation shares		557		404
Closing net assets attributable to shareholders		49,669		40,233

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2024 £'000	31 October 2023 £'000
Assets		
Fixed assets		
Investments	48,539	38,818
Current assets		
Debtors	210	202
Cash and bank balances	1,323	2,525
Total assets	50,072	41,545
Liabilities		
Investment liabilities	(89)	(575)
Creditors		
Distribution payable	(50)	(56)
Other creditors	(263)	(163)
Deferred tax provision	(1)	0
Total liabilities	(403)	(794)
Net assets attributable to shareholders	49,669	40,751

Financial statements and notes

Notes to the financial statements

Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 4.

Distribution policy

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

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For the purposes of these financial statements, the Prospectus dated 26 April 2024 has been used.

Investment objective

The fund has two aims:

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

Investment policy

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

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

The fund aims to exclude securities issued by:

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

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

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

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

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

mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf

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

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

Authorised Corporate Director’s Report

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

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

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

Investment approach

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

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

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

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

Benchmark

IA Mixed Investment 20-60% shares sector

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

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

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

Risk profile

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

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the six months ended 30 April 2024

Volatility against objective

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

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	12.0	9.1

Performance against objective

Between 1 November 2023 (the start of the review period) and 30 April 2024, total returns for all share classes of the M&G Sustainable Multi Asset Balanced Fund fell short of the benchmark IA Mixed Investment 20-60% Shares sector's 9.5% gain.

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

Performance review

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

Financial markets ended 2023 on the front foot as investors became increasingly confident with the notion that the peak in central bank interest rates had passed. The market's 'higher-for-longer' view on rates gradually gave way as the final quarter progressed following a series of weaker economic data releases in the US and Europe and a shift in tone from the US Federal Reserve.

Nearly all asset classes in the fund delivered positive performance over this initial period, led by its broad-based equity exposure, capping a positive calendar year of performance for the fund overall. Holdings in the US tech equity space and some of our 'positive impact' equity investments registered impressive returns. The fund's exposure to fixed income assets, via a selection of developed market government bonds, also aided returns given the yields on these instruments fell from late October into the end of the year. UK gilts exposure was a valuable performance contributor here, following our decision to increase our exposure to the asset class earlier in the year.

The fund went on to register a positive (but more measured) start to 2024 as investors toasted an improving economic growth outlook but a slowing disinflationary environment. As a result of this backdrop there was a significant reappraisal of interest rate cut expectations during the first few months of the year, but this was not enough to spoil rallies in most equity markets (with several equity indices reaching all-time highs). However, the performance of many government bond markets was more subdued as government bond yields began to climb higher once again.

The fund was able to register a small positive return through this period thanks to its broad equity exposure. Allocations to equities in the US, Denmark, Germany and Japan were leading contributors. Our investment approach tends to favour undervalued parts of the market and, from a fund point of view, it was encouraging to see some of these areas match or surpass US equity market strength. The fund's tactical exposure to Hong Kong/China equities was a valuable performance contributor as the country's equity market rebounded from downbeat economic news and widespread investor pessimism in 2023.

In the fixed income space, losses were mainly driven by the fund's diversified holdings of developed market government bonds and supranational bonds. Unfortunately, the fund's exposure to listed green infrastructure assets continued to disappoint after a difficult 2023. While these income-producing assets made up only a small part of the portfolio, their price

Authorised Corporate Director's Report

behaviour continued to largely reflect bond market fears of receding interest rate cut expectations.

The fund has maintained a diverse range of holdings within its positive impact asset bucket. At the end of the reporting period, 57% of the fund was allocated to positive impact investments: those that aim to have a positive impact through actively addressing today's big environmental and social challenges. The overall score for the portfolio ended the period with an average MSCI ESG score of 7.7, which equates to an MSCI ESG rating of AA.

Investment activities

From a multi-asset portfolio point of view, it was encouraging to observe some signs of a decoupling between equity and bond price behaviour during the six months under review, particularly towards the end of the period.

We continued to try and take advantage of any valuation-led opportunities as they occurred. For example, a decision to add tactical exposure to Hong Kong/China equities in January rewarded the fund in the following months as Chinese markets bounced back from levels of market pessimism that felt detached from economic fundamentals.

Our optimism over the prospects for sectors such as clean energy remain undiminished and we took the opportunity to add to several names that stand to benefit from the green energy transition, including EDP Renováveis, Enphase Energy and Vestas Wind Systems.

In the bond space, the fund reduced its holdings of 5-year US Treasuries in favour of 30-year German bunds. Our view was that bunds would likely offer better diversification properties given the weaker economic prospects in Europe compared to the US.

In March, we recycled some names among the fund's positive impact equity holdings to reflect the latest recommendations from M&G's impact investing team.

Outlook

From a multi-asset portfolio perspective it has been encouraging to observe signs of a return to a decoupling in equity/bond price behaviour during this

latest phase, as major equity indices continued to be resilient despite ongoing interest rate pressure.

Developed market government bonds' recent sell-off generates both concern and opportunity. Strategically, it enhances their potential to provide portfolio insurance, so we're content to stay slightly long in the asset class, while acknowledging that news flow remains unsupportive for the time being.

In equities, aggregate valuations are demanding, though not detached from strong recent earnings/fundamentals. We favour markets where 'margins of safety' exist, notably in China and parts of Europe. We feel that valuation metrics still warrant a degree of caution with regard to the US.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities	22,820	44.95	41.20
United Kingdom	2,863	5.64	5.61
UK equities	2,863	5.64	5.61
7,976 Bank of Georgia	431	0.85	
88,789 DS Smith	312	0.61	
524,308 Greencoat UK Wind	742	1.46	
783,249 Home REIT ^a	111	0.22	
104,243 Marks & Spencer	271	0.53	
852,125 Octopus Renewables Infrastructure Trust	624	1.23	
21,703 Segro REIT	186	0.37	
22,658 WPP	186	0.37	
Denmark	1,067	2.10	1.91
Danish equities	1,067	2.10	1.91
22,337 ALK-Abelló	335	0.66	
3,117 Novo Nordisk	322	0.63	
5,125 Ørsted	226	0.45	
8,575 Vestas Wind Systems	184	0.36	
France	1,134	2.23	2.16
French equities	1,134	2.23	2.16
1,762 Capgemini	309	0.61	
5,230 Danone	263	0.52	
617 L'Oréal	234	0.46	
1,767 Schneider Electric	328	0.64	
Germany	890	1.75	1.58
German equities	890	1.75	1.58
663 Allianz	152	0.30	
2,384 Bayerische Motoren Werke	212	0.41	
5,790 Fresenius Medical Care	192	0.38	
2,288 SAP	334	0.66	
Guernsey	687	1.35	1.48
Guernsey equities	687	1.35	1.48
680,130 Renewables Infrastructure	687	1.35	

Portfolio statement

Investments (continued)

Holding		as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)				
Ireland		684	1.35	1.40
Irish equities		684	1.35	1.40
930,079	Greencoat Renewables ^b	684	1.35	
Italy		511	1.01	1.01
Italian equities		511	1.01	1.01
14,405	Assicurazioni Generali	283	0.56	
35,511	Terna	228	0.45	
Netherlands		282	0.56	0.51
Dutch equities		282	0.56	0.51
22,168	ING	282	0.56	
Spain		812	1.60	1.59
Spanish equities		812	1.60	1.59
4,287	Amadeus IT	219	0.43	
20,408	EDP Renováveis	224	0.44	
102,554	Telefónica	369	0.73	
United States		8,324	16.40	14.27
US equities		8,324	16.40	14.27
2,550	Agilent Technologies	284	0.56	
2,921	Alphabet	387	0.76	
1,956	American Express	373	0.74	
4,544	AMERISAFE	163	0.32	
973	Ansys	256	0.51	
1,659	Apple	230	0.45	
758	Autodesk	131	0.26	
4,982	Ball	281	0.55	
9,348	Bank of New York Mellon	428	0.84	
1,077	Becton Dickinson	200	0.40	
3,013	Bright Horizons Family Solutions	255	0.50	
3,219	CBRE	226	0.45	
6,416	Cisco Systems	245	0.48	
4,994	eBay	210	0.41	
3,264	Enphase Energy	294	0.58	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
United States (continued)			
US equities (continued)			
14,836 Hannon Armstrong Sustainable Infrastructure Capital REIT	301	0.59	
1,352 Illumina	134	0.27	
8,632 Intel	215	0.42	
4,762 Johnson Controls International	248	0.49	
3,617 Kellanova	168	0.33	
454 Lam Research	336	0.66	
1,053 Microsoft	337	0.67	
2,621 onsemi	148	0.29	
2,440 PNC Financial Services	303	0.60	
1,547 Procter & Gamble	199	0.39	
2,327 Quest Diagnostics	259	0.51	
2,114 Republic Services	326	0.64	
1,463 SolarEdge Technologies	70	0.14	
578 Thermo Fisher Scientific	265	0.52	
672 UnitedHealth	262	0.52	
8,162 Verizon Communications	260	0.51	
998 Visa	217	0.43	
904 WK Kellogg	17	0.03	
2,803 Xylem	296	0.58	
Canada	212	0.42	0.45
Canadian equities	212	0.42	0.45
13,413 Boralex	212	0.42	
Brazil	217	0.43	0.93
Brazilian equities	217	0.43	0.93
146,964 AES Brasil Energia	217	0.43	
Japan	1,172	2.31	2.37
Japanese equities	1,172	2.31	2.37
8,800 Dai-ichi Life	163	0.32	
2,900 Hitachi	216	0.42	
3,400 Horiba	268	0.53	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
Japan (continued)			
Japanese equities (continued)			
18,800 Katitas	183	0.36	
15,100 Panasonic	106	0.21	
1,800 Sony	120	0.24	
5,500 Takeda Pharmaceutical	116	0.23	
Australia	555	1.09	0.99
Australian equities	555	1.09	0.99
34,881 Brambles	265	0.52	
1,711 Cochlear	290	0.57	
China	346	0.68	0.00
Chinese equities	346	0.68	0.00
94,500 Ping An Insurance	346	0.68	
Hong Kong	1,240	2.44	1.57
Hong Kong equities	1,240	2.44	1.57
64,000 AIA	376	0.74	
12,200 Hong Kong Exchanges and Clearing	313	0.62	
310,000 Lenovo	281	0.55	
163,000 Swire Properties	270	0.53	
India	262	0.52	0.42
Indian equities	262	0.52	0.42
5,655 HDFC Bank ADR	262	0.52	
Indonesia	164	0.32	0.00
Indonesian equities	164	0.32	0.00
677,700 Bank Rakyat Indonesia	164	0.32	
South Korea	228	0.45	0.45
South Korean equities	228	0.45	0.45
5,098 Samsung Electronics	228	0.45	
Taiwan	1,170	2.30	2.03
Taiwanese equities	1,170	2.30	2.03
84,000 ASE Technology	303	0.59	
230,384 Cathay Financial	285	0.56	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
Taiwan (continued)			
Taiwanese equities (continued)			
232,061 E.Sun Financial	156	0.31	
22,000 Taiwan Semiconductor Manufacturing	426	0.84	
South Africa	0	0.00	0.47
South African equities	0	0.00	0.47
Fixed income	24,894	49.04	53.76
United Kingdom	10,072	19.84	26.71
Government bonds	9,633	18.98	25.73
£1,427,000 UK Treasury 0% 10/06/2024	1,419	2.80	
£4,266,000 UK Treasury 0% 17/06/2024	4,237	8.35	
£561,000 UK Treasury 0% 29/07/2024	554	1.09	
£3,200,000 UK Treasury 0.875% 31/07/2033	2,376	4.68	
£2,125,000 UK Treasury 1.5% 31/07/2053	1,047	2.06	
Investment grade corporate bonds	439	0.86	0.98
IDR4,410,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	199	0.39	
€300,000 Vodafone 0.9% 24/11/2026	240	0.47	
Belgium	241	0.47	0.52
Investment grade corporate bonds	241	0.47	0.52
€300,000 KBC Var. Rate 0.25% 01/03/2027	241	0.47	
France	882	1.74	1.89
Investment grade corporate bonds	738	1.46	1.58
US\$322,000 EDF 3.625% 13/10/2025	250	0.49	
€300,000 Société Générale Var. Rate 0.875% 22/09/2028	231	0.46	
€300,000 Unibail-Rodamco-Westfield 4.125% 11/12/2030	257	0.51	
Below investment grade corporate bonds	144	0.28	0.31
€177,000 Renault 1% 28/11/2025	144	0.28	
Germany	3,010	5.93	2.03
Government bonds	2,522	4.97	1.01
€1,138,550 Germany (Federal Republic of) 0% 15/08/2030	835	1.65	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Germany (continued)			
Government bonds (continued)			
€1,260,000 Germany (Federal Republic of) 1.8% 15/08/2053	889	1.75	
€948,500 Germany (Federal Republic of) 2.3% 15/02/2033	798	1.57	
Investment grade corporate bonds	333	0.66	0.70
€327,000 Mercedes-Benz 0.75% 10/09/2030	240	0.47	
€136,000 Mercedes-Benz 0.75% 11/03/2033	93	0.19	
Below investment grade corporate bonds	155	0.30	0.32
€200,000 ZF Finance 2.25% 03/05/2028	155	0.30	
Italy	441	0.87	0.93
Government bonds	235	0.46	0.48
€271,000 Italy (Republic of) 4% 30/04/2035	235	0.46	
Investment grade corporate bonds	206	0.41	0.45
€235,000 Intesa Sanpaolo 4.75% 06/09/2027	206	0.41	
Luxembourg	1,729	3.41	4.18
Investment grade corporate bonds	1,729	3.41	4.18
ZAR19,660,000 European Investment Bank 0% 18/10/2032	354	0.70	
US\$1,855,000 European Investment Bank 3.75% 14/02/2033	1,375	2.71	
Netherlands	366	0.72	0.52
Investment grade corporate bonds	366	0.72	0.52
€160,000 EDP Finance 0.375% 16/09/2026	127	0.25	
€300,000 ING 2.5% 15/11/2030	239	0.47	
Portugal	243	0.48	0.81
Investment grade corporate bonds	243	0.48	0.81
€300,000 EDP - Energias de Portugal 1.625% 15/04/2027	243	0.48	
Sweden	654	1.29	1.40
Investment grade corporate bonds	222	0.44	0.48
€279,000 Swedbank Var. Rate 0.3% 20/05/2027	222	0.44	
Below investment grade corporate bonds	432	0.85	0.92
€272,000 Volvo Car 2.5% 07/10/2027	220	0.43	
€249,000 Volvo Car 4.25% 31/05/2028	212	0.42	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
United States	5,956	11.73	13.13
Investment grade corporate bonds	5,483	10.80	12.17
€113,000 Apple 0% 15/11/2025	92	0.18	
US\$334,000 Apple 3% 20/06/2027	251	0.49	
US\$238,000 Boston Properties 2.55% 01/04/2032	145	0.29	
US\$317,000 Boston Properties 4.5% 01/12/2028	236	0.47	
US\$195,000 HCA 5.45% 01/04/2031	153	0.30	
US\$1,902,000 Inter-American Development Bank 4.375% 24/01/2044	1,374	2.71	
IDR4,310,000,000 Inter-American Development Bank 5.1% 17/11/2026	203	0.40	
US\$1,745,000 International Bank for Reconstruction & Development 0.75% 26/08/2030	1,088	2.14	
MXN12,180,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	514	1.01	
BRL3,220,000 International Bank for Reconstruction & Development 5% 22/01/2026	469	0.92	
INR35,500,000 International Bank for Reconstruction & Development 6.85% 24/04/2028	334	0.66	
US\$394,000 Prologis 1.25% 15/10/2030	245	0.48	
US\$194,000 Xylem 1.95% 30/01/2028	137	0.27	
US\$369,000 Xylem 2.25% 30/01/2031	242	0.48	
Below investment grade corporate bonds	473	0.93	0.96
US\$135,000 Ball 2.875% 15/08/2030	90	0.18	
US\$218,000 Ball 3.125% 15/09/2031	145	0.28	
US\$218,000 DaVita 3.75% 15/02/2031	143	0.28	
US\$135,000 DaVita 4.625% 01/06/2030	95	0.19	
Chile	869	1.71	2.38
Government bonds	869	1.71	2.38
€875,000 Chile (Republic of) 1.25% 29/01/2040	509	1.00	
CLP440,000,000 Chile (Republic of) 5% 01/10/2028	360	0.71	
Colombia	236	0.46	0.51
Government bonds	236	0.46	0.51
COP1,353,400,000 Colombia (Republic of) 7% 26/03/2031	236	0.46	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Mexico	284	0.56	0.00
Government bonds	284	0.56	0.00
MXN6,980,000 Mexico (United Mexican States) 8% 24/05/2035	284	0.56	
Debt derivatives	(89)	(0.17)	(1.25)
Interest rate futures	(89)	(0.17)	(1.25)
16 10 Year US Treasury Note Jun 2024	(34)	(0.06)	
9 US Ultra Bond Jun 2024	(55)	(0.11)	
Fixed income portfolios	1,764	3.48	0.00
Other	1,764	3.48	0.00
181,314 iShares EUR Corporate Bond 0-3yr ESG ETF	767	1.51	
55,584 iShares EUR Corporate Bond ESG ETF	222	0.44	
194,102 iShares USD Corporate Bond 0-3yr ESG ETF	775	1.53	
Currency	87	0.17	0.04
Forward currency contracts	87	0.17	0.04
AU\$(1,067,096) Sold for £559,394 (expires 31.07.24)	2	0.00	
CA\$(308,585) Sold for £180,996 (expires 31.07.24)	1	0.00	
DKK(9,235,124) Sold for £1,066,905 (expires 31.07.24)	3	0.01	
€(13,919,027) Sold for £11,986,152 (expires 31.07.24)	39	0.08	
HK\$(14,991,948) Sold for £1,535,021 (expires 31.07.24)	3	0.01	
US\$(14,668,298) Sold for £11,726,627 (expires 31.07.24)	36	0.07	
US\$1,374,572 Bought for TWD44,566,975 (expires 23.07.24)	3	0.00	
Total portfolio	49,565	97.64	95.00
Net other assets/(liabilities)	1,199	2.36	5.00
Net assets attributable to shareholders	50,764	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 six months to 30 April 2024

Largest purchases	£'000
UK Treasury 0% 17/06/2024	4,173
UK Treasury 0% 10/06/2024	2,219
European Investment Bank 3.75% 14/02/2033	1,408
International Bank for Reconstruction & Development 0.75% 26/08/2030	1,097
Germany (Federal Republic of) 1.8% 15/08/2053	881
Germany (Federal Republic of) 2.3% 15/02/2033	807
iShares USD Corporate Bond 0-3yr ESG ETF	765
iShares EUR Corporate Bond 0-3yr ESG ETF	764
UK Treasury 0.875% 31/07/2033	608
UK Treasury 0% 28/05/2024	560
Other purchases	5,744
Total purchases	19,026

Largest sales	£'000
UK Treasury 0% 15/01/2024	4,137
UK Treasury 0% 19/02/2024	2,299
UK Treasury 0% 04/12/2023	1,495
European Investment Bank 0.75% 15/11/2024	1,424
Inter-American Development Bank 1.375% 15/12/2024	1,235
UK Treasury 0% 22/01/2024	943
UK Treasury 0% 10/06/2024	819
UK Treasury 0% 02/04/2024	614
UK Treasury 0% 28/05/2024	568
Inter-American Development Bank 4.375% 24/01/2044	502
Other sales	2,621
Total sales	16,657

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, historic prices, distribution rates, 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 'Comparative tables' for the share class launch dates.

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+8.5	-0.1	n/a	n/a
Class 'A' Accumulation	+8.5	-0.1	n/a	n/a
Class 'I' Income	+8.7	+0.2	n/a	n/a
Class 'I' Accumulation	+8.7	+0.2	n/a	n/a
Class 'L' Accumulation	+8.8	+0.3	n/a	n/a
Class 'PP' Income	+8.8	+0.3	n/a	n/a
Class 'PP' Accumulation	+8.7	+0.3	n/a	n/a
Class 'R' Income	+8.6	+0.0	n/a	n/a
Class 'R' Accumulation	+8.6	+0.0	n/a	n/a
Benchmark	+9.5	+0.5	n/a	n/a

^a Not annualised.

Comparative tables

'Operating charges' is calculated as a percentage of average net asset value and represents an annual rate. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	1,242	1,214	1,027
Number of shares	1,345,578	1,410,944	1,152,916
Closing NAV per share (UK p)	92.29	86.05	89.09
Operating charges (%)	1.13	1.13	1.14

Sterling Class 'I' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	258	229	194
Number of shares	275,691	262,955	216,229
Closing NAV per share (UK p)	93.54	87.04	89.76
Operating charges (%)	0.73	0.73	0.74

Sterling Class 'L' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	14,401	13,184	13,146
Number of shares	14,011,068	14,015,040	14,015,040
Closing NAV per share (UK p)	102.78	94.07	93.80
Operating charges (%)	0.53	0.53	0.54

Sterling Class 'PP' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	187	173	181
Number of shares	199,584	198,045	201,198
Closing NAV per share (UK p)	93.86	87.30	89.93
Operating charges (%)	0.63	0.63	0.64

Sterling Class 'A' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	922	800	865
Number of shares	911,608	862,889	930,091
Closing NAV per share (UK p)	101.14	92.78	92.95
Operating charges (%)	1.13	1.13	1.14

Sterling Class 'I' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	2,144	2,488	1,912
Number of shares	2,097,772	2,656,832	2,044,978
Closing NAV per share (UK p)	102.23	93.64	93.52
Operating charges (%)	0.73	0.73	0.74

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	30,060	26,276	22,161
Number of shares	29,323,326	27,993,230	23,658,650
Closing NAV per share (UK p)	102.51	93.86	93.67
Operating charges (%)	0.63	0.63	0.64

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	310	291	201
Number of shares	333,979	337,166	225,031
Closing NAV per share (UK p)	92.74	86.41	89.33
Operating charges (%)	0.98	0.98	0.99

Sterling Class 'R' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	1,240	1,164	1,096
Number of shares	1,220,971	1,249,955	1,176,112
Closing NAV per share (UK p)	101.53	93.09	93.16
Operating charges (%)	0.98	0.98	0.99

Financial statements and notes

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Statement of total return

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		3,568		1,943
Revenue	905		694	
Expenses	(139)		(122)	
Interest payable and similar charges	0		(1)	
Net revenue/(expense) before taxation	766		571	
Taxation	(120)		(85)	
Net revenue/(expense) after taxation		646		486
Total return before distributions		4,214		2,429
Distributions		(656)		(494)
Change in net assets attributable to shareholders from investment activities		3,558		1,935

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		45,819		40,783
Amounts received on issue of shares	2,317		3,611	
Amounts paid on cancellation of shares	(1,559)		(330)	
		758		3,281
Dilution adjustments		3		7
Change in net assets attributable to shareholders from investment activities (see above)		3,558		1,935
Retained distributions on Accumulation shares		626		480
Closing net assets attributable to shareholders		50,764		46,486

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2024 £'000	31 October 2023 £'000
Assets		
Fixed assets		
Investments	49,654	44,142
Current assets		
Debtors	266	209
Cash and bank balances	1,249	2,259
Total assets	51,169	46,610
Liabilities		
Investment liabilities	(89)	(613)
Creditors		
Distribution payable	(16)	(17)
Other creditors	(299)	(161)
Deferred tax provision	(1)	0
Total liabilities	(405)	(791)
Net assets attributable to shareholders	50,764	45,819

Financial statements and notes

Notes to the financial statements

Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 4.

Distribution policy

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

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For the purposes of these financial statements, the Prospectus dated 26 April 2024 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 at 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

IA Mixed Investment 0-35% Shares Sector

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

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

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

Risk profile

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

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



The above number:

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

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Investment review

For the six months ended 30 April 2024

Volatility against objective

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

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	9.0	7.6

Performance against objective

Between 1 November 2023 (the start of the review period) and 30 April 2024, total returns for all share classes of the M&G Sustainable Multi Asset Cautious Fund fell short of the benchmark IA Mixed Investment 0-35% Shares sector's 7.3% gain.

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

Performance review

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

Financial markets ended 2023 on the front foot as investors became increasingly confident with the notion that the peak in central bank interest rates had passed. The market's 'higher-for-longer' view on rates gradually gave way as the final quarter progressed following a series of weaker economic data releases in the US and Europe and a shift in tone from the US Federal Reserve.

Nearly all asset classes in the fund delivered positive performance over this initial period, led by its broad-based equity exposure, capping a positive calendar year of performance for the fund overall. Holdings in the US tech equity space and some of our 'positive impact' equity investments registered impressive returns. The fund's exposure to fixed income assets, via a selection of developed market government bonds, also aided returns given the yields on these instruments fell from late October into the end of the year. UK gilts exposure was a valuable performance contributor here following our decision to increase our exposure to the asset class earlier in the year.

The fund went on to register a positive (but more measured) start to 2024 as investors toasted an improving economic growth outlook but a slowing disinflationary environment. As a result of this backdrop there was a significant reappraisal of interest rate cut expectations during the first few months of the year, but this was not enough to spoil rallies in most equity markets (with several equity indices reaching all-time highs). However, the performance of many government bond markets was more subdued as government bond yields began to climb higher once again, and this began to detract from fund performance towards the end of the period.

There were notable contributions from equity allocations in the US, Denmark, Germany and Japan. Our investment approach tends to favour undervalued parts of the market and, from a fund point of view, it was encouraging to see some of these areas match or surpass US equity market strength. The fund's tactical exposure to Hong Kong/China equities was valuable as the country's equity market rebounded from downbeat economic news and widespread investor pessimism in 2023.

In the fixed income space, losses were mainly driven by the fund's diversified holdings of developed market government bonds and supranational bonds. Unfortunately, the fund's exposure to listed green infrastructure assets continued to disappoint after a difficult 2023. While these income-producing assets made up only a small part of the portfolio, their price

Authorised Corporate Director's Report

behaviour continued to largely reflect bond market fears of receding interest rate cut expectations. The fund has maintained a diverse range of holdings within its positive impact asset bucket. At the end of the reporting period, 61% of the fund was allocated to positive impact investments: those that aim to have a positive impact through actively addressing today's big environmental and social challenges. The overall score for the portfolio ended the period with an average MSCI ESG score of 7.7, which equates to an MSCI ESG rating of AA.

Investment activities

From a multi-asset portfolio point of view, it was encouraging to observe some signs of a decoupling between equity and bond price behaviour during the six months under review, particularly towards the end of the period.

We continued to try and take advantage of any valuation-led opportunities as they occurred. For example, a decision to add tactical exposure to Hong Kong/China equities in January rewarded the fund in the following months as Chinese markets bounced back from levels of market pessimism that felt detached from economic fundamentals.

Our optimism over the prospects for sectors such as clean energy remain undiminished and we took the opportunity to add to several names that stand to benefit from the green energy transition, including EDP Renováveis, Enphase Energy and Vestas Wind Systems.

In the bond space, the fund reduced its holdings of 5-year US Treasuries in favour of 30-year German bunds. Our view was that bunds would likely offer better diversification properties given the weaker economic prospects in Europe compared to the US.

In March, we recycled some names among the fund's positive impact equity holdings to reflect the latest recommendations from M&G's impact investing team.

Outlook

From a multi-asset portfolio perspective it has been encouraging to observe signs of a return to a decoupling in equity/bond price behaviour during this

latest phase, as major equity indices continued to be resilient despite ongoing interest rate pressure. Developed market government bonds' recent sell-off generates both concern and opportunity. Strategically, it enhances their potential to provide portfolio insurance, so we're content to stay slightly long in the asset class, while acknowledging that news flow remains unsupportive for the time being.

In equities, aggregate valuations are demanding, though not detached from strong recent earnings/fundamentals. We favour markets where 'margins of safety' exist, notably in China and parts of Europe. We feel that valuation metrics still warrant a degree of caution with regard to the US.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding		as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities		10,769	24.71	22.37
United Kingdom		1,887	4.33	4.07
UK equities		1,887	4.33	4.07
3,871	Bank of Georgia	209	0.48	
36,777	DS Smith	129	0.29	
457,236	Greencoat UK Wind	648	1.49	
463,146	Home REIT ^a	66	0.15	
48,694	Marks & Spencer	126	0.29	
763,529	Octopus Renewables Infrastructure Trust	559	1.28	
9,988	Segro REIT	86	0.20	
7,821	WPP	64	0.15	
Denmark		479	1.10	0.99
Danish equities		479	1.10	0.99
5,022	ALK-Abelló	75	0.17	
1,658	Novo Nordisk	171	0.39	
3,527	Ørsted	156	0.36	
3,601	Vestas Wind Systems	77	0.18	
France		475	1.09	0.92
French equities		475	1.09	0.92
510	Capgemini	89	0.20	
1,714	Danone	86	0.20	
289	L'Oréal	110	0.25	
1,022	Schneider Electric	190	0.44	
Germany		324	0.74	0.64
German equities		324	0.74	0.64
294	Allianz	67	0.15	
1,051	Bayerische Motoren Werke	93	0.21	
1,915	Fresenius Medical Care	64	0.15	
684	SAP	100	0.23	
Guernsey		613	1.41	1.27
Guernsey equities		613	1.41	1.27
607,020	Renewables Infrastructure	613	1.41	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
Ireland	461	1.06	1.21
Irish equities	461	1.06	1.21
626,090 Greencoat Renewables ^b	461	1.06	
Italy	175	0.40	0.40
Italian equities	175	0.40	0.40
4,792 Assicurazioni Generali	94	0.21	
12,575 Terna	81	0.19	
Netherlands	121	0.28	0.23
Dutch equities	121	0.28	0.23
9,527 ING	121	0.28	
Spain	355	0.82	0.87
Spanish equities	355	0.82	0.87
1,495 Amadeus IT	76	0.17	
8,570 EDP Renováveis	94	0.22	
51,449 Telefónica	185	0.43	
United States	3,627	8.32	7.11
US equities	3,627	8.32	7.11
1,379 Agilent Technologies	153	0.35	
1,055 Alphabet	140	0.32	
835 American Express	159	0.37	
3,289 AMERISAFE	118	0.27	
356 Ansys	93	0.21	
624 Apple	87	0.20	
431 Autodesk	74	0.17	
3,316 Ball	187	0.43	
3,891 Bank of New York Mellon	178	0.41	
345 Becton Dickinson	64	0.15	
1,812 Bright Horizons Family Solutions	153	0.35	
1,125 CBRE	79	0.18	
2,378 Cisco Systems	91	0.21	
2,133 eBay	89	0.20	
1,371 Enphase Energy	124	0.29	

Portfolio statement

Investments (continued)

Holding		as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)				
United States (continued)				
US equities (continued)				
5,186	Hannon Armstrong Sustainable Infrastructure Capital REIT	105	0.24	
585	Illumina	58	0.13	
3,125	Intel	78	0.18	
3,204	Johnson Controls International	167	0.38	
1,476	Kellanova	68	0.16	
171	Lam Research	127	0.29	
405	Microsoft	130	0.30	
1,532	onsemi	86	0.20	
674	PNC Financial Services	84	0.19	
722	Procter & Gamble	93	0.21	
1,021	Quest Diagnostics	114	0.26	
757	Republic Services	117	0.27	
589	SolarEdge Technologies	28	0.06	
219	Thermo Fisher Scientific	101	0.23	
312	UnitedHealth	122	0.28	
3,973	Verizon Communications	127	0.29	
363	Visa	79	0.18	
369	WK Kellogg	7	0.02	
1,395	Xylem	147	0.34	
Canada		110	0.25	0.18
Canadian equities		110	0.25	0.18
6,910	Boralex	110	0.25	
Brazil		80	0.18	0.50
Brazilian equities		80	0.18	0.50
54,221	AES Brasil Energia	80	0.18	
Japan		400	0.92	1.02
Japanese equities		400	0.92	1.02
2,200	Dai-ichi Life	41	0.10	
600	Hitachi	44	0.10	
1,400	Horiba	110	0.25	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
Japan (continued)			
Japanese equities (continued)			
7,600 Katitas	74	0.17	
5,100 Panasonic	36	0.08	
600 Sony	40	0.09	
2,600 Takeda Pharmaceutical	55	0.13	
Australia	240	0.55	0.53
Australian equities	240	0.55	0.53
13,326 Brambles	101	0.23	
822 Cochlear	139	0.32	
China	145	0.33	0.00
Chinese equities	145	0.33	0.00
39,500 Ping An Insurance	145	0.33	
Hong Kong	513	1.18	0.84
Hong Kong equities	513	1.18	0.84
26,800 AIA	158	0.36	
5,700 Hong Kong Exchanges and Clearing	146	0.34	
106,000 Lenovo	96	0.22	
68,400 Swire Properties	113	0.26	
India	154	0.35	0.27
Indian equities	154	0.35	0.27
3,331 HDFC Bank ADR	154	0.35	
Indonesia	88	0.20	0.00
Indonesian equities	88	0.20	0.00
361,900 Bank Rakyat Indonesia	88	0.20	
South Korea	106	0.24	0.23
South Korean equities	106	0.24	0.23
2,379 Samsung Electronics	106	0.24	
Taiwan	416	0.96	0.83
Taiwanese equities	416	0.96	0.83
25,000 ASE Technology	90	0.21	
95,733 Cathay Financial	119	0.27	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
Taiwan (continued)			
Taiwanese equities (continued)			
136,164 E.Sun Financial	91	0.21	
6,000 Taiwan Semiconductor Manufacturing	116	0.27	
South Africa	0	0.00	0.26
South African equities	0	0.00	0.26
Fixed income	27,572	63.26	67.06
United Kingdom	10,570	24.25	33.16
Government bonds	10,119	23.22	32.11
£858,000 UK Treasury 0% 20/05/2024	856	1.97	
£780,000 UK Treasury 0% 28/05/2024	777	1.78	
£894,000 UK Treasury 0% 03/06/2024	890	2.04	
£1,293,000 UK Treasury 0% 10/06/2024	1,285	2.95	
£724,000 UK Treasury 0% 29/07/2024	715	1.64	
£808,900 UK Treasury 0% 05/08/2024	798	1.83	
£658,000 UK Treasury 0% 12/08/2024	648	1.49	
£3,857,000 UK Treasury 0.875% 31/07/2033	2,863	6.57	
£2,612,000 UK Treasury 1.5% 31/07/2053	1,287	2.95	
Investment grade corporate bonds	451	1.03	1.05
IDR5,600,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	252	0.58	
€248,000 Vodafone 0.9% 24/11/2026	199	0.45	
Belgium	161	0.37	0.44
Investment grade corporate bonds	161	0.37	0.44
€200,000 KBC Var. Rate 0.25% 01/03/2027	161	0.37	
France	1,033	2.37	2.59
Investment grade corporate bonds	823	1.89	2.05
US\$383,000 EDF 3.625% 13/10/2025	297	0.68	
€200,000 Société Générale Var. Rate 0.875% 22/09/2028	154	0.35	
€137,000 Unibail-Rodamco-Westfield 1% 14/03/2025	115	0.27	
€300,000 Unibail-Rodamco-Westfield 4.125% 11/12/2030	257	0.59	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
France (continued)			
Below investment grade corporate bonds	210	0.48	0.54
€258,000 Renault 1% 28/11/2025	210	0.48	
Germany	3,697	8.48	2.80
Government bonds	3,069	7.04	1.35
€1,436,000 Germany (Federal Republic of) 0% 15/08/2030	1,053	2.42	
€1,465,500 Germany (Federal Republic of) 1.8% 15/08/2053	1,034	2.37	
€1,167,500 Germany (Federal Republic of) 2.3% 15/02/2033	982	2.25	
Investment grade corporate bonds	473	1.08	1.05
€447,000 Mercedes-Benz 0.75% 10/09/2030	328	0.75	
€211,000 Mercedes-Benz 0.75% 11/03/2033	145	0.33	
Below investment grade corporate bonds	155	0.36	0.40
€200,000 ZF Finance 2.25% 03/05/2028	155	0.36	
Italy	483	1.11	1.14
Government bonds	292	0.67	0.62
€337,000 Italy (Republic of) 4% 30/04/2035	292	0.67	
Investment grade corporate bonds	191	0.44	0.52
€218,000 Intesa Sanpaolo 4.75% 06/09/2027	191	0.44	
Luxembourg	2,081	4.78	5.57
Investment grade corporate bonds	2,081	4.78	5.57
ZAR20,350,000 European Investment Bank 0% 18/10/2032	367	0.84	
US\$2,312,000 European Investment Bank 3.75% 14/02/2033	1,714	3.94	
Netherlands	350	0.80	0.43
Investment grade corporate bonds	350	0.80	0.43
€241,000 EDP Finance 0.375% 16/09/2026	191	0.44	
€200,000 ING 2.5% 15/11/2030	159	0.36	
Portugal	243	0.56	1.18
Investment grade corporate bonds	243	0.56	1.18
€300,000 EDP - Energias de Portugal 1.625% 15/04/2027	243	0.56	
Sweden	559	1.28	1.50
Investment grade corporate bonds	156	0.36	0.42
€196,000 Swedbank Var. Rate 0.3% 20/05/2027	156	0.36	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Sweden (continued)			
Below investment grade corporate bonds	403	0.92	1.08
€255,000 Volvo Car 2.5% 07/10/2027	206	0.47	
€231,000 Volvo Car 4.25% 31/05/2028	197	0.45	
United States	7,010	16.08	16.56
Investment grade corporate bonds	6,467	14.84	15.19
€100,000 Apple 0% 15/11/2025	81	0.19	
US\$393,000 Apple 3% 20/06/2027	295	0.68	
US\$204,000 Boston Properties 2.55% 01/04/2032	125	0.29	
US\$397,000 Boston Properties 4.5% 01/12/2028	295	0.68	
US\$277,000 HCA 5.45% 01/04/2031	217	0.50	
US\$2,303,000 Inter-American Development Bank 4.375% 24/01/2044	1,664	3.82	
IDR5,090,000,000 Inter-American Development Bank 5.1% 17/11/2026	240	0.55	
US\$2,133,000 International Bank for Reconstruction & Development 0.75% 26/08/2030	1,330	3.05	
MXN12,070,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	510	1.17	
BRL3,810,000 International Bank for Reconstruction & Development 5% 22/01/2026	555	1.27	
INR37,000,000 International Bank for Reconstruction & Development 6.85% 24/04/2028	348	0.80	
US\$535,000 Prologis 1.25% 15/10/2030	332	0.76	
US\$206,000 Xylem 1.95% 30/01/2028	146	0.33	
US\$502,000 Xylem 2.25% 30/01/2031	329	0.75	
Below investment grade corporate bonds	543	1.24	1.37
US\$81,000 Ball 2.875% 15/08/2030	54	0.12	
US\$301,000 Ball 3.125% 15/09/2031	200	0.46	
US\$309,000 DaVita 3.75% 15/02/2031	203	0.46	
US\$123,000 DaVita 4.625% 01/06/2030	86	0.20	
Chile	949	2.18	2.64
Government bonds	949	2.18	2.64
€990,000 Chile (Republic of) 1.25% 29/01/2040	576	1.32	
CLP455,000,000 Chile (Republic of) 5% 01/10/2028	373	0.86	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Colombia	298	0.68	0.65
Government bonds	298	0.68	0.65
COP1,712,100,000 Colombia (Republic of) 7% 26/03/2031	298	0.68	
Mexico	242	0.56	0.00
Government bonds	242	0.56	0.00
MXN5,950,000 Mexico (United Mexican States) 8% 24/05/2035	242	0.56	
Debt derivatives	(104)	(0.24)	(1.60)
Interest rate futures	(104)	(0.24)	(1.60)
18 10 Year US Treasury Note Jun 2024	(37)	(0.09)	
11 US Ultra Bond Jun 2024	(67)	(0.15)	
Fixed income portfolios	4,047	9.29	4.48
Other	4,047	9.29	4.48
206,527 iShares EUR Corporate Bond 0-3yr ESG ETF	873	2.00	
554,840 iShares EUR Corporate Bond ESG ETF	2,222	5.10	
221,094 iShares USD Corporate Bond 0-3yr ESG ETF	883	2.03	
18,586 iShares USD Corporate Bond ESG ETF	69	0.16	
Currency	71	0.17	(0.01)
Forward currency contracts	71	0.17	(0.01)
AU\$(491,238) Sold for £257,517 (expires 31.07.24)	1	0.00	
CA\$(193,393) Sold for £113,432 (expires 31.07.24)	1	0.00	
DKK(4,149,924) Sold for £479,428 (expires 31.07.24)	2	0.01	
€(14,345,168) Sold for £12,353,132 (expires 31.07.24)	40	0.09	
HK\$(6,330,466) Sold for £648,174 (expires 31.07.24)	1	0.00	
US\$(10,536,709) Sold for £8,423,266 (expires 31.07.24)	25	0.06	
US\$455,254 Bought for TWD14,760,433 (expires 23.07.24)	1	0.01	
Total portfolio	42,459	97.43	93.90
Net other assets/(liabilities)	1,122	2.57	6.10
Net assets attributable to shareholders	43,581	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 six months to 30 April 2024

Largest purchases	£'000
European Investment Bank 3.75% 14/02/2033	1,753
UK Treasury 0.875% 31/07/2033	1,398
International Bank for Reconstruction & Development 0.75% 26/08/2030	1,341
UK Treasury 0% 10/06/2024	1,272
Germany (Federal Republic of) 1.8% 15/08/2053	1,028
Germany (Federal Republic of) 2.3% 15/02/2033	995
UK Treasury 0% 03/06/2024	873
iShares USD Corporate Bond 0-3yr ESG ETF	871
iShares EUR Corporate Bond 0-3yr ESG ETF	870
UK Treasury 0% 20/05/2024	838
Other purchases	9,518
Total purchases	20,757

Largest sales	£'000
UK Treasury 0% 02/04/2024	2,881
UK Treasury 0% 15/01/2024	1,906
UK Treasury 0% 20/11/2023	1,684
European Investment Bank 0.75% 15/11/2024	1,618
UK Treasury 0% 19/02/2024	1,455
Inter-American Development Bank 1.375% 15/12/2024	1,221
UK Treasury 0% 05/02/2024	607
UK Treasury 0% 22/01/2024	552
UK Treasury 0% 04/03/2024	368
Chile (Republic of) 5% 01/10/2028	355
Other sales	1,966
Total sales	14,613

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, historic prices, distribution rates, 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 'Comparative tables' for the share class launch dates.

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+5.6	-2.1	n/a	n/a
Class 'A' Accumulation	+5.6	-2.1	n/a	n/a
Class 'I' Income	+5.8	-1.8	n/a	n/a
Class 'I' Accumulation	+5.7	-1.8	n/a	n/a
Class 'L' Accumulation	+5.8	-1.6	n/a	n/a
Class 'PP' Income	+5.8	-1.7	n/a	n/a
Class 'PP' Accumulation	+5.8	-1.7	n/a	n/a
Class 'R' Income	+5.6	-2.0	n/a	n/a
Class 'R' Accumulation	+5.6	-2.0	n/a	n/a
Benchmark	+7.3	-0.8	n/a	n/a

^a Not annualised.

Comparative tables

'Operating charges' is calculated as a percentage of average net asset value and represents an annual rate. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	245	257	298
Number of shares	293,221	321,184	355,602
Closing NAV per share (UK p)	83.41	80.16	83.78
Operating charges (%)	1.12	1.11	1.13

Sterling Class 'I' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	64	54	50
Number of shares	75,931	66,726	58,867
Closing NAV per share (UK p)	84.56	81.10	84.42
Operating charges (%)	0.72	0.71	0.73

Sterling Class 'L' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	13,028	12,271	12,345
Number of shares	14,016,040	14,016,040	14,016,040
Closing NAV per share (UK p)	92.95	87.55	88.08
Operating charges (%)	0.52	0.51	0.53

Sterling Class 'PP' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	130	125	56
Number of shares	153,554	153,611	66,848
Closing NAV per share (UK p)	84.84	81.34	84.58
Operating charges (%)	0.62	0.61	0.63

Sterling Class 'A' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	331	299	237
Number of shares	361,703	346,122	271,812
Closing NAV per share (UK p)	91.45	86.34	87.28
Operating charges (%)	1.12	1.11	1.13

Sterling Class 'I' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	717	593	440
Number of shares	775,197	680,266	501,153
Closing NAV per share (UK p)	92.44	87.14	87.81
Operating charges (%)	0.72	0.71	0.73

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	28,762	22,747	10,068
Number of shares	31,025,863	26,039,447	11,447,392
Closing NAV per share (UK p)	92.70	87.36	87.95
Operating charges (%)	0.62	0.61	0.63

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	96	74	74
Number of shares	113,944	91,944	88,128
Closing NAV per share (UK p)	83.83	80.51	84.02
Operating charges (%)	0.97	0.96	0.98

Sterling Class 'R' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	208	207	168
Number of shares	226,750	238,917	191,602
Closing NAV per share (UK p)	91.82	86.65	87.48
Operating charges (%)	0.97	0.96	0.98

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		1,648		937
Revenue	844		448	
Expenses	(110)		(68)	
Interest payable and similar charges	0		(1)	
Net revenue/(expense) before taxation	734		379	
Taxation	(127)		(63)	
Net revenue/(expense) after taxation		607		316
Total return before distributions		2,255		1,253
Distributions		(609)		(318)
Change in net assets attributable to shareholders from investment activities		1,646		935

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		36,627		23,736
Amounts received on issue of shares	4,938		4,762	
Amounts paid on cancellation of shares	(255)		(175)	
		4,683		4,587
Dilution adjustments		8		11
Change in net assets attributable to shareholders from investment activities (see above)		1,646		935
Retained distributions on Accumulation shares		617		325
Closing net assets attributable to shareholders		43,581		29,594

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2024 £'000	31 October 2023 £'000
Assets		
Fixed assets		
Investments	42,563	35,011
Current assets		
Debtors	231	315
Cash and bank balances	1,166	2,077
Total assets	43,960	37,403
Liabilities		
Investment liabilities	(104)	(620)
Creditors		
Distribution payable	(4)	(5)
Other creditors	(271)	(151)
Total liabilities	(379)	(776)
Net assets attributable to shareholders	43,581	36,627

Financial statements and notes

Notes to the financial statements

Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 4.

Distribution policy

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

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For the purposes of these financial statements, the Prospectus dated 26 April 2024 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 at 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

IA Flexible Investment Sector

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

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

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

Risk profile

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

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



The above number:

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

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Investment review

For the six months ended 30 April 2024

Volatility against objective

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

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	17.0	10.5

Performance against objective

Between 1 November 2023 (the start of the review period) and 30 April 2024, total returns for all share classes of the M&G Sustainable Multi Asset Growth Fund fell short of the benchmark IA Mixed Flexible Investment sector's 12.3% gain.

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

Performance review

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

Financial markets ended 2023 on the front foot as investors became increasingly confident with the notion that the peak in central bank interest rates had passed. The market's 'higher-for-longer' view on rates gradually gave way as the final quarter progressed following a series of weaker economic data releases in the US and Europe and a shift in tone from the US Federal Reserve.

Nearly all asset classes in the fund delivered positive performance over this initial period, led by its broad-based equity exposure, capping a positive calendar year of performance for the fund overall. Holdings in the US tech equity space and some of our 'positive impact' equity investments registered impressive returns. The fund's exposure to fixed income assets, via a selection of developed market government bonds, also aided returns given the yields on these instruments fell from late October into the end of the year. UK gilts exposure was a notable contributor here following our decision to increase our exposure to the asset class earlier in the year.

The fund went on to register a positive (but more measured) start to 2024 as investors toasted an improving economic growth outlook but a slowing disinflationary environment. As a result of this backdrop there was a significant reappraisal of interest rate cut expectations during the first few months of the year, but this was not enough to spoil rallies in most equity markets (with several equity indices reaching all-time highs). However, the performance of many government bond markets was more subdued as government bond yields began to climb higher once again.

The fund was able to register a small positive return through this period thanks to its broad equity exposure. Allocations to equities in the US, Denmark, Germany and Japan were leading contributors. Our investment approach tends to favour undervalued parts of the market and, from a fund point of view, it was encouraging to see some of these areas match or surpass US equity market strength. The fund's tactical exposure to Hong Kong/China equities was a valuable performance contributor as the country's equity market rebounded from downbeat economic news and widespread investor pessimism in 2023.

In the fixed income space, losses were mainly driven by the fund's diversified holdings of developed market government bonds and supranational bonds. Unfortunately, the fund's exposure to listed green infrastructure assets continued to disappoint after a difficult 2023. While these income-producing assets made up only a small part of the portfolio, their price

Authorised Corporate Director's Report

behaviour continued to largely reflect bond market fears of receding interest rate cut expectations. The fund has maintained a diverse range of holdings within its positive impact asset bucket. At the end of the reporting period, 50% of the fund was allocated to positive impact investments: those that aim to have a positive impact through actively addressing today's big environmental and social challenges. The overall score for the portfolio ended the period with an average MSCI ESG score of 7.8, which equates to an MSCI ESG rating of AA.

Investment activities

From a multi-asset portfolio point of view, it was encouraging to observe some signs of a decoupling between equity and bond price behaviour during the six months under review, particularly towards the end of the period.

We continued to try and take advantage of any valuation-led opportunities as they occurred. For example, a decision to add tactical exposure to Hong Kong/China equities in January rewarded the fund in the following months as Chinese markets bounced back from levels of market pessimism that felt detached from economic fundamentals.

Our optimism over the prospects for sectors such as clean energy remain undiminished and we took the opportunity to add to several names that stand to benefit from the green energy transition, including EDP Renováveis, Enphase Energy and Vestas Wind Systems.

In the bond space, the fund reduced its holdings of 5-year US Treasuries in favour of 30-year German bunds. Our view was that bunds would likely offer better diversification properties given the weaker economic prospects in Europe compared to the US. In March, we recycled some names among the fund's positive impact equity holdings to reflect the latest recommendations from M&G's impact investing team.

Outlook

From a multi-asset portfolio perspective it has been encouraging to observe signs of a return to a decoupling in equity/bond price behaviour during this latest phase, as major equity indices continued to be

resilient despite ongoing interest rate pressure. Developed market government bonds' recent sell-off generates both concern and opportunity. Strategically, it enhances their potential to provide portfolio insurance, so we're content to stay slightly long in the asset class, while acknowledging that news flow remains unsupportive for the time being.

In equities, aggregate valuations are demanding, though not detached from strong recent earnings/fundamentals. We favour markets where 'margins of safety' exist, notably in China and parts of Europe. We feel that valuation metrics still warrant a degree of caution with regard to the US.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding		as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities		16,783	66.24	62.14
United Kingdom		1,737	6.86	6.72
UK equities		1,737	6.86	6.72
5,274	Bank of Georgia	285	1.12	
64,090	DS Smith	225	0.89	
257,276	Greencoat UK Wind	364	1.44	
397,101	Home REIT ^a	57	0.23	
72,367	Marks & Spencer	188	0.74	
423,105	Octopus Renewables Infrastructure Trust	310	1.22	
21,299	Segro REIT	182	0.72	
15,407	WPP	126	0.50	
Denmark		699	2.76	2.88
Danish equities		699	2.76	2.88
11,676	ALK-Abelló	175	0.69	
2,473	Novo Nordisk	256	1.01	
2,716	Ørsted	120	0.47	
6,915	Vestas Wind Systems	148	0.59	
France		831	3.28	3.23
French equities		831	3.28	3.23
1,283	Capgemini	225	0.89	
3,693	Danone	186	0.73	
538	L'Oréal	204	0.81	
1,164	Schneider Electric	216	0.85	
Germany		781	3.08	2.84
German equities		781	3.08	2.84
803	Allianz	184	0.72	
2,567	Bayerische Motoren Werke	228	0.90	
3,483	Fresenius Medical Care	116	0.46	
1,737	SAP	253	1.00	
Guernsey		339	1.34	1.47
Guernsey equities		339	1.34	1.47
335,878	Renewables Infrastructure	339	1.34	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
Ireland	354	1.40	1.39
Irish equities	354	1.40	1.39
481,364 Greencoat Renewables ^b	354	1.40	
Italy	388	1.53	1.57
Italian equities	388	1.53	1.57
9,966 Assicurazioni Generali	196	0.77	
29,842 Terna	192	0.76	
Netherlands	233	0.92	0.85
Dutch equities	233	0.92	0.85
18,343 ING	233	0.92	
Spain	718	2.83	2.91
Spanish equities	718	2.83	2.91
3,036 Amadeus IT	155	0.61	
16,880 EDP Renováveis	185	0.73	
105,174 Telefónica	378	1.49	
United States	6,519	25.73	22.52
US equities	6,519	25.73	22.52
2,002 Agilent Technologies	223	0.88	
1,862 Alphabet	247	0.97	
1,209 American Express	231	0.91	
4,658 AMERISAFE	167	0.66	
796 Ansys	209	0.83	
1,335 Apple	185	0.73	
754 Autodesk	130	0.51	
4,388 Ball	247	0.97	
5,047 Bank of New York Mellon	231	0.91	
805 Becton Dickinson	150	0.59	
2,741 Bright Horizons Family Solutions	232	0.92	
2,775 CBRE	194	0.77	
4,772 Cisco Systems	182	0.72	
3,730 eBay	157	0.62	
2,700 Enphase Energy	243	0.96	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
United States (continued)			
US equities (continued)			
7,331 Hannon Armstrong Sustainable Infrastructure Capital REIT	149	0.59	
1,390 Illumina	138	0.54	
6,273 Intel	157	0.62	
4,342 Johnson Controls International	226	0.89	
3,613 Kellanova	167	0.66	
382 Lam Research	283	1.12	
800 Microsoft	256	1.01	
3,009 onsemi	170	0.67	
1,437 PNC Financial Services	178	0.70	
1,525 Procter & Gamble	197	0.78	
1,855 Quest Diagnostics	206	0.81	
1,561 Republic Services	241	0.95	
957 SolarEdge Technologies	45	0.18	
454 Thermo Fisher Scientific	209	0.82	
514 UnitedHealth	200	0.79	
7,195 Verizon Communications	230	0.91	
900 Visa	195	0.77	
903 WK Kellogg	17	0.07	
2,146 Xylem	227	0.90	
Canada	169	0.67	0.73
Canadian equities	169	0.67	0.73
10,641 Boralex	169	0.67	
Brazil	159	0.63	1.36
Brazilian equities	159	0.63	1.36
107,335 AES Brasil Energia	159	0.63	
Japan	951	3.75	3.88
Japanese equities	951	3.75	3.88
6,400 Dai-ichi Life	119	0.47	
2,400 Hitachi	179	0.71	
2,700 Horiba	213	0.84	

Portfolio statement

Investments (continued)

Holding		as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)				
Japan (continued)				
Japanese equities (continued)				
16,800	Katitas	163	0.64	
10,000	Panasonic	70	0.28	
1,500	Sony	100	0.39	
5,100	Takeda Pharmaceutical	107	0.42	
Australia		385	1.52	1.64
Australian equities		385	1.52	1.64
24,615	Brambles	187	0.74	
1,168	Cochlear	198	0.78	
China		287	1.13	0.00
Chinese equities		287	1.13	0.00
78,500	Ping An Insurance	287	1.13	
Hong Kong		951	3.75	2.54
Hong Kong equities		951	3.75	2.54
51,600	AIA	303	1.19	
10,100	Hong Kong Exchanges and Clearing	259	1.02	
192,000	Lenovo	174	0.69	
129,400	Swire Properties	215	0.85	
India		179	0.71	0.81
Indian equities		179	0.71	0.81
3,872	HDFC Bank ADR	179	0.71	
Indonesia		123	0.49	0.00
Indonesian equities		123	0.49	0.00
506,300	Bank Rakyat Indonesia	123	0.49	
South Korea		176	0.69	0.71
South Korean equities		176	0.69	0.71
3,931	Samsung Electronics	176	0.69	
Taiwan		804	3.17	3.12
Taiwanese equities		804	3.17	3.12
58,000	ASE Technology	210	0.83	
145,672	Cathay Financial	180	0.71	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Equities (continued)			
Taiwan (continued)			
Taiwanese equities (continued)			
271,380 E.Sun Financial	182	0.72	
12,000 Taiwan Semiconductor Manufacturing	232	0.91	
South Africa	0	0.00	0.97
South African equities	0	0.00	0.97
Fixed income	7,432	29.33	32.41
United Kingdom	3,587	14.16	19.16
Government bonds	3,429	13.53	18.44
£654,000 UK Treasury 0% 10/06/2024	650	2.56	
£792,000 UK Treasury 0% 17/06/2024	787	3.11	
£277,000 UK Treasury 0% 05/08/2024	273	1.08	
£530,000 UK Treasury 0% 12/08/2024	522	2.06	
£355,000 UK Treasury 0% 30/09/2024	348	1.37	
£798,000 UK Treasury 0.875% 31/07/2033	593	2.34	
£520,414 UK Treasury 1.5% 31/07/2053	256	1.01	
Investment grade corporate bonds	158	0.63	0.72
IDR1,740,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	78	0.31	
€100,000 Vodafone 0.9% 24/11/2026	80	0.32	
Belgium	80	0.32	0.35
Investment grade corporate bonds	80	0.32	0.35
€100,000 KBC Var. Rate 0.25% 01/03/2027	80	0.32	
France	249	0.98	1.11
Investment grade corporate bonds	208	0.82	0.93
US\$59,000 EDF 3.625% 13/10/2025	46	0.18	
€100,000 Société Générale Var. Rate 0.875% 22/09/2028	77	0.30	
€100,000 Unibail-Rodamco-Westfield 4.125% 11/12/2030	85	0.34	
Below investment grade corporate bonds	41	0.16	0.18
€50,000 Renault 1% 28/11/2025	41	0.16	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Germany	773	3.05	0.98
Government bonds	661	2.61	0.50
€309,000 Germany (Federal Republic of) 0% 15/08/2030	227	0.90	
€314,000 Germany (Federal Republic of) 1.8% 15/08/2053	221	0.87	
€252,800 Germany (Federal Republic of) 2.3% 15/02/2033	213	0.84	
Investment grade corporate bonds	34	0.13	0.15
€47,000 Mercedes-Benz 0.75% 10/09/2030	34	0.13	
Below investment grade corporate bonds	78	0.31	0.33
€100,000 ZF Finance 2.25% 03/05/2028	78	0.31	
Italy	58	0.23	0.24
Government bonds	58	0.23	0.24
€67,000 Italy (Republic of) 4% 30/04/2035	58	0.23	
Luxembourg	483	1.91	1.84
Investment grade corporate bonds	483	1.91	1.84
ZAR7,010,000 European Investment Bank 0% 18/10/2032	127	0.50	
US\$481,000 European Investment Bank 3.75% 14/02/2033	356	1.41	
Netherlands	80	0.31	0.35
Investment grade corporate bonds	80	0.31	0.35
€100,000 ING 2.5% 15/11/2030	80	0.31	
Portugal	81	0.32	0.36
Investment grade corporate bonds	81	0.32	0.36
€100,000 EDP - Energias de Portugal 1.625% 15/04/2027	81	0.32	
Sweden	165	0.65	0.72
Investment grade corporate bonds	80	0.32	0.35
€100,000 Swedbank Var. Rate 0.3% 20/05/2027	80	0.32	
Below investment grade corporate bonds	85	0.33	0.37
€100,000 Volvo Car 4.25% 31/05/2028	85	0.33	
United States	1,510	5.96	6.44
Investment grade corporate bonds	1,396	5.51	5.97
US\$116,000 Apple 3% 20/06/2027	87	0.34	
US\$70,000 Boston Properties 2.55% 01/04/2032	43	0.17	
US\$62,000 Boston Properties 4.5% 01/12/2028	46	0.18	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
United States (continued)			
Investment grade corporate bonds (continued)			
US\$65,000 HCA 5.45% 01/04/2031	51	0.20	
US\$269,000 Inter-American Development Bank 4.375% 24/01/2044	194	0.77	
IDR1,490,000,000 Inter-American Development Bank 5.1% 17/11/2026	70	0.28	
US\$464,000 International Bank for Reconstruction & Development 0.75% 26/08/2030	290	1.14	
MXN4,510,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	191	0.75	
BRL1,240,000 International Bank for Reconstruction & Development 5% 22/01/2026	181	0.71	
INR11,500,000 International Bank for Reconstruction & Development 6.85% 24/04/2028	108	0.43	
US\$73,000 Prologis 1.25% 15/10/2030	45	0.18	
US\$64,000 Xylem 1.95% 30/01/2028	45	0.18	
US\$68,000 Xylem 2.25% 30/01/2031	45	0.18	
Below investment grade corporate bonds	114	0.45	0.47
US\$100,000 Ball 2.875% 15/08/2030	67	0.26	
US\$72,000 DaVita 3.75% 15/02/2031	47	0.19	
Chile	243	0.96	1.13
Government bonds	243	0.96	1.13
€200,000 Chile (Republic of) 1.25% 29/01/2040	116	0.46	
CLP155,000,000 Chile (Republic of) 5% 01/10/2028	127	0.50	
Colombia	103	0.41	0.41
Government bonds	103	0.41	0.41
COP588,800,000 Colombia (Republic of) 7% 26/03/2031	103	0.41	
Mexico	47	0.18	0.00
Government bonds	47	0.18	0.00
MXN1,160,000 Mexico (United Mexican States) 8% 24/05/2035	47	0.18	
Debt derivatives	(27)	(0.11)	(0.68)
Interest rate futures	(27)	(0.11)	(0.68)
4 10 Year US Treasury Note Jun 2024	(9)	(0.04)	
3 US Ultra Bond Jun 2024	(18)	(0.07)	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 £'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income portfolios	342	1.35	0.00
Other	342	1.35	0.00
30,097 iShares EUR Corporate Bond 0-3yr ESG ETF	127	0.50	
21,329 iShares EUR Corporate Bond ESG ETF	86	0.34	
32,219 iShares USD Corporate Bond 0-3yr ESG ETF	129	0.51	
Currency	46	0.18	0.07
Forward currency contracts	46	0.18	0.07
AU\$(785,536) Sold for £411,794 (expires 31.07.24)	2	0.01	
CA\$(282,265) Sold for £165,559 (expires 31.07.24)	1	0.00	
DKK(6,079,393) Sold for £702,333 (expires 31.07.24)	2	0.01	
€(6,112,268) Sold for £5,263,451 (expires 31.07.24)	17	0.06	
HK\$(12,197,349) Sold for £1,248,620 (expires 31.07.24)	2	0.01	
US\$(8,339,750) Sold for £6,667,247 (expires 31.07.24)	20	0.08	
US\$1,044,147 Bought for TWD33,853,797 (expires 23.07.24)	2	0.01	
Total portfolio	24,603	97.10	94.62
Net other assets/(liabilities)	735	2.90	5.38
Net assets attributable to shareholders	25,338	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 six months to 30 April 2024

Largest purchases	£'000
UK Treasury 0% 28/05/2024	875
UK Treasury 0% 10/06/2024	797
UK Treasury 0% 17/06/2024	775
UK Treasury 0% 12/08/2024	518
European Investment Bank 3.75% 14/02/2033	365
UK Treasury 0% 30/09/2024	346
UK Treasury 0% 12/02/2024	307
International Bank for Reconstruction & Development 0.75% 26/08/2030	292
UK Treasury 0% 05/08/2024	270
Ping An Insurance	258
Other purchases	3,261
Total purchases	8,064

Largest sales	£'000
UK Treasury 0% 19/02/2024	1,055
UK Treasury 0% 28/05/2024	890
UK Treasury 0% 04/12/2023	816
UK Treasury 0% 15/01/2024	764
UK Treasury 0% 22/01/2024	534
UK Treasury 0% 12/02/2024	309
UK Treasury 0% 20/11/2023	308
Inter-American Development Bank 1.375% 15/12/2024	305
Rockwool	238
European Investment Bank 0.75% 15/11/2024	231
Other sales	1,690
Total sales	7,140

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, historic prices, distribution rates, 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 'Comparative tables' for the share class launch dates.

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+11.4	+1.3	n/a	n/a
Class 'A' Accumulation	+11.4	+1.3	n/a	n/a
Class 'I' Income	+11.6	+1.6	n/a	n/a
Class 'I' Accumulation	+11.6	+1.6	n/a	n/a
Class 'L' Accumulation	+11.7	+1.8	n/a	n/a
Class 'PP' Income	+11.6	+1.7	n/a	n/a
Class 'PP' Accumulation	+11.6	+1.7	n/a	n/a
Class 'R' Income	+11.5	+1.4	n/a	n/a
Class 'R' Accumulation	+11.4	+1.4	n/a	n/a
Benchmark	+12.3	+2.2	n/a	n/a

^a Not annualised.

Comparative tables

'Operating charges' is calculated as a percentage of average net asset value and represents an annual rate. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	593	550	530
Number of shares	585,991	599,094	569,528
Closing NAV per share (UK p)	101.14	91.72	93.10
Operating charges (%)	1.13	1.13	1.15

Sterling Class 'I' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	108	84	47
Number of shares	105,516	90,376	50,058
Closing NAV per share (UK p)	102.39	92.66	93.69
Operating charges (%)	0.73	0.73	0.75

Sterling Class 'L' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	15,748	14,045	13,756
Number of shares	14,014,040	14,014,040	14,014,040
Closing NAV per share (UK p)	112.37	100.22	98.16
Operating charges (%)	0.53	0.53	0.55

Sterling Class 'PP' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	24	22	22
Number of shares	23,614	23,614	23,614
Closing NAV per share (UK p)	102.71	92.91	93.84
Operating charges (%)	0.63	0.63	0.65

Sterling Class 'A' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	682	615	451
Number of shares	617,959	623,205	464,521
Closing NAV per share (UK p)	110.45	98.74	97.17
Operating charges (%)	1.13	1.13	1.15

Sterling Class 'I' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	2,433	1,878	1,611
Number of shares	2,177,407	1,882,950	1,645,968
Closing NAV per share (UK p)	111.75	99.74	97.85
Operating charges (%)	0.73	0.73	0.75

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	4,694	4,338	3,270
Number of shares	4,188,649	4,338,966	3,337,213
Closing NAV per share (UK p)	112.06	99.98	98.00
Operating charges (%)	0.63	0.63	0.65

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	116	131	124
Number of shares	113,792	142,346	132,377
Closing NAV per share (UK p)	101.59	92.06	93.31
Operating charges (%)	0.98	0.98	1.00

Sterling Class 'R' Accumulation shares

The share class was launched on 8 December 2020.

	30.04.24	31.10.23	31.10.22
Closing NAV (£'000)	940	902	839
Number of shares	846,697	910,178	861,210
Closing NAV per share (UK p)	110.97	99.14	97.45
Operating charges (%)	0.98	0.98	1.00

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		2,449		1,257
Revenue	388		311	
Expenses	(66)		(58)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	322		253	
Taxation	(43)		(30)	
Net revenue/(expense) after taxation		279		223
Total return before distributions		2,728		1,480
Distributions		(283)		(227)
Change in net assets attributable to shareholders from investment activities		2,445		1,253

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		22,565		20,650
Amounts received on issue of shares	607		1,159	
Amounts paid on cancellation of shares	(550)		(381)	
		57		778
Dilution adjustments		0		2
Change in net assets attributable to shareholders from investment activities (see above)		2,445		1,253
Retained distributions on Accumulation shares		271		219
Closing net assets attributable to shareholders		25,338		22,902

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2024 £'000	31 October 2023 £'000
Assets		
Fixed assets		
Investments	24,630	21,524
Current assets		
Debtors	95	79
Cash and bank balances	712	1,178
Total assets	25,437	22,781
Liabilities		
Investment liabilities	(27)	(172)
Creditors		
Distribution payable	(6)	(6)
Other creditors	(65)	(38)
Deferred tax provision	(1)	0
Total liabilities	(99)	(216)
Net assets attributable to shareholders	25,338	22,565

Financial statements and notes

Notes to the financial statements

Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 4.

Distribution policy

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

