

M&G Investment Funds (2)

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

Contents

Authorised Corporate Director's Report.....	1
Directors' statement	4
Financial statements and notes	5
Authorised Corporate Director's Reports, including the portfolio statements, financial highlights, financial statements and notes for:	
M&G Gilt & Fixed Interest Income Fund	6
M&G Global High Yield Bond Fund	18
M&G Index-Linked Bond Fund.....	43
M&G Index Tracker Fund.....	55
M&G Short Dated Corporate Bond Fund	86
M&G UK Income Distribution Fund	103
M&G UK Sustain Paris Aligned Fund.....	124

Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (2) presents its interim report and unaudited financial statements for the six months ended 30 November 2023.

The unaudited financial statements of M&G Investment Funds (2), 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 (2) is an umbrella Open-Ended Investment Company (OEIC) and contains seven sub-funds, hereinafter referred to as 'funds' in the rest of this report. Each fund is a UK UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the 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 1 August 2001 and was launched on 24 January 2002, following the conversion of a series of authorised unit trusts.

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

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

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

Fund managers

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

M&G Gilt & Fixed Interest Income Fund

Miles Tym

M&G Global High Yield Bond Fund

Stefan Isaacs & James Tomlins

M&G Index-Linked Bond Fund

Miles Tym

M&G Index Tracker Fund

Richard O'Connor

M&G Short Dated Corporate Bond Fund

Matthew Russell

M&G UK Income Distribution Fund

Elina Symon

M&G UK Sustain Paris Aligned Fund

Rory Alexander

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)

Depositary

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

Independent auditor

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

Annual value assessment

An annual assessment report is available which shows the value provided to investors in each of M&G's UK-based funds. The assessment report evaluates whether M&G's charges are justified in the context of the overall service delivered to its investors. The latest report to 31 March 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.

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

Effective from 12 December 2023, a decision was taken by the Investment Manager, M&G Investment Management Limited, to appoint BlackRock Investment Management (UK) Limited as Sub-Investment Manager of the M&G Index Tracker Fund.

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

Authorised Corporate Director's Report

Investor information

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

Customer services and administration for non-UK clients:

M&G Securities Limited,
c/o CACEIS Investor Services Bank S.A.
14 Porte de France,
L-4360 Esch-sur-Alzette,
Luxembourg

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

Telephone: +352 2605 9944
Email: csmang@caceis.com

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

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

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

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

Directors' statement

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

M&G Securities Limited
26 January 2024

Financial statements and notes

The financial statements for M&G Investment Funds (2) 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 May 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 6 March 2023 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the FTSE Actuaries UK Conventional Gilts All Stocks Index over any five-year period.

Investment policy

At least 70% of the fund is invested, directly or through derivatives, in investment grade short, medium and long-dated gilts. These securities are issued or guaranteed by the UK government, and denominated in sterling.

Other investments may include transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

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

Investment approach

The fund is diversified across a range of UK government debt securities. The fund's investment approach is based on the principle that returns from government bonds are driven by a combination of macroeconomic factors such as expectations on interest rates, inflation and economic growth. As different factors dominate returns at different stages of the economic cycle, the manager applies a flexible investment approach, adjusting fund duration as deemed appropriate.

The fund manager seeks to take advantage of 'relative value' opportunities within the UK government bond market, which involves buying the bonds that offer the best value.

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

Benchmark

Benchmark: FTSE Actuaries UK Conventional Gilts All Stocks Index.

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

The fund is actively managed.

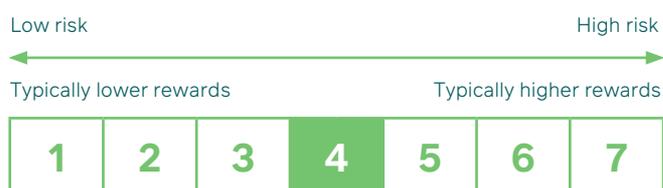
The fund manager has complete freedom in choosing which assets to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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

Risk profile

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

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



The above number:

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

Authorised Corporate Director's Report

Investment review

For the six months ended 30 November 2023

Performance against objective

Between 1 June 2023 (the start of the review period) and 30 November 2023, the M&G Gilt & Fixed Interest Income Fund's Sterling Class 'A' and 'I' shares delivered a total return (the combination of income and growth of capital) of 1.8% and 1.9%, respectively. This compares with a return of 1.5% by its benchmark, the FTSE Actuaries UK Conventional Gilts All Stocks Index, over the same period.

Over five years, the fund delivered a negative return and did not meet its objective as the fund was behind the benchmark index, which returned -3.4% pa over this 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.

Performance review

UK government bonds (also known as gilts) delivered positive returns in the six months to the end of November 2023.

Investors' concern over above-target inflation levels and subsequent interest rate hikes continued to feature prominently over the six months under review, which weighed on gilt prices at times. However, gilt prices tended to rise when inflation appeared to be easing, thus reducing the likelihood of further interest rates hikes.

For much of the recent past, central banks have been focused on the balance between seeking to contain high inflation without choking off economic activity. The UK has so far avoided a recession although economic activity remains modest as higher borrowing costs and a cost-of-living crisis put pressure on businesses and consumers.

The US Federal Reserve (Fed) paused its run of interest rate hikes in June although it signalled that further increases could follow as it sought to control inflation. In the UK, inflation continued to surprise on the upside

and the Bank of England (BoE) effected a higher-than-expected increase to interest rates.

The summer saw central banks overall continue their hiking cycles. In the UK, although inflation continued to decline, investors remained wary of the possibility of further rate increases. The BoE duly hiked again in early August, taking rates to 5.25%.

As the summer progressed, central bank rhetoric relating to interest rates was 'higher for longer' and key central bank figures on both sides of the Atlantic were keen to convey the message that rate cuts would not be coming soon. In September, the BoE and the Fed both paused and maintained their interest rates at current levels, with the UK ending a run of 14 successive hikes.

October was marked by concerns over geopolitical risk following the outbreak of conflict in the Middle East and fears that it may spread into the wider region, prompting a 'risk-off' sentiment in financial markets. UK gilt yields gained slightly, and prices fell, after employment data was a little weaker than had been expected.

November saw a major rally in financial markets as investors seized on evidence that inflation was slowing, particularly in the US but also in Europe and the UK, and this raised hopes that interest rates may have peaked. Data showing that the US economy was slowing but not collapsing added to the belief that the US may avoid recession. Gilt prices rose strongly in response.

In other data, the UK economy fell sharply in July 2023 but returned to growth in August with a small gain. However, in the three months to September the economy failed to grow, compared with the previous three-month period, and the BoE expects the UK economy to remain flat until 2025.

Investment activities

In June, on the back of market moves, we maintained an underweight position in 15-20 year government bonds, which we feel look expensive, instead buying into shorter and longer dated bonds. Given the strength of the longer-end of the market, we sold longer-dated bonds into the 20-25 year sector. We also sold longer-

Authorised Corporate Director's Report

dated bonds into cash, taking the fund marginally short duration, relative to the benchmark (meaning a lower sensitivity to movements in interest rates).

Against a backdrop of increasingly expensive longer-dated bonds and greater supply, investors wondered if interest rates were approaching peak levels. In August, we took the opportunity to take profits on the back of this move. As a result, we reduced the macro risk in the portfolio but we continue to run a relative value underweight (meaning we sought to sell assets we considered overvalued) in the 10-year part of the yield curve, compared to positions in shorter and longer-dated bonds.

Following positive relative performance in October and November, we took some profits. We closed the underweight position in government bonds maturing in 20 years and sold bonds with less than, and more than, 20 years remaining on their contracts.

We expect the structural trend to push interest rates higher in longer-dated bonds. As a result, we sold longer-dated bonds into shorter-dated bonds. The fund remains underweight bonds in the 10-year sector.

Outlook

Inflation continues to move lower in the UK and globally and expectations are growing for interest rate cuts in 2024, despite the mixed messages from central bankers. We remain cautious at this point and have concerns over the added compensation that investors are expecting for the unknowns associated with holding longer-term debt.

Miles Tym

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 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income	342,122	98.57	98.81
Debt securities	342,122	98.57	98.81
'AAA' credit rated bonds	16,011	4.61	12.07
£4,786,000 Nordic Investment Bank 1.125% 15/12/2023	4,779	1.38	
£11,491,792 UK Treasury 0% 07/05/2024	11,232	3.23	
'AA' credit rated bonds	326,111	93.96	86.74
£3,564,598 PRS Finance 1.75% 24/11/2026	3,271	0.94	
£12,086,894 UK Treasury 0.5% 31/01/2029	10,103	2.91	
£20,288,562 UK Treasury 0.625% 22/10/2050	7,955	2.29	
£50,654,663 UK Treasury 0.875% 31/01/2046	24,524	7.07	
£3,427,070 UK Treasury 1.25% 31/07/2051	1,641	0.47	
£10,987,998 UK Treasury 1.5% 31/07/2053	5,510	1.59	
£12,114,099 UK Treasury 1.625% 22/10/2028	10,856	3.13	
£39,006,097 UK Treasury 1.625% 22/10/2054	20,041	5.77	
£2,993,451 UK Treasury 1.75% 22/01/2049	1,723	0.50	
£20,819,082 UK Treasury 2.5% 22/07/2065	13,145	3.79	
£16,356,400 UK Treasury 3.5% 22/10/2025	16,049	4.62	
£16,843,090 UK Treasury 3.75% 29/01/2038	15,584	4.49	
£6,033,556 UK Treasury 3.75% 22/10/2053	5,169	1.49	
£4,348,134 UK Treasury 4% 22/10/2063	3,933	1.13	
£86,897,612 UK Treasury 4.125% 29/01/2027	86,582	24.95	
£65,167,687 UK Treasury 4.5% 07/06/2028	66,160	19.06	
£34,284,323 UK Treasury 4.5% 07/12/2042	33,865	9.76	
Total portfolio	342,122	98.57	98.81
Net other assets/(liabilities)	4,976	1.43	1.19
Net assets attributable to shareholders	347,098	100.00	100.00

Portfolio statement

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

Largest purchases	£'000
UK Treasury 4.5% 07/06/2028	90,892
UK Treasury 3.75% 29/01/2038	46,492
UK Treasury 4.5% 07/12/2042	32,940
UK Treasury 2.5% 22/07/2065	29,543
UK Treasury 1.625% 22/10/2028	28,533
UK Treasury 4% 22/10/2063	24,281
UK Treasury 0.875% 31/01/2046	18,729
UK Treasury 0% 07/05/2024	16,749
UK Treasury 0% 29/01/2024	16,326
UK Treasury 3.5% 22/10/2025	15,817
Other purchases	57,263
Total purchases	377,565

Largest sales	£'000
UK Treasury 0.5% 31/01/2029	77,692
UK Treasury 3.75% 29/01/2038	31,133
UK Treasury 4.5% 07/06/2028	26,322
UK Treasury 0.875% 31/01/2046	23,281
UK Treasury 2.5% 22/07/2065	23,060
UK Treasury 4% 22/01/2060	20,740
UK Treasury 4% 22/10/2063	19,513
UK Treasury 0% 29/08/2023	19,038
UK Treasury 4.25% 07/12/2046	18,859
UK Treasury 1.625% 22/10/2028	17,811
Other sales	76,814
Total sales	354,263

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+1.8	-10.0	-3.7	-0.1
Class 'A' Accumulation	+1.8	-10.0	-3.7	-0.1
Class 'I' Income	+1.9	-9.8	-3.4	+0.2
Class 'I' Accumulation	+1.9	-9.8	-3.4	+0.2
Class 'PP' Income	+2.0	n/a	n/a	n/a
Class 'PP' Accumulation	+2.0	n/a	n/a	n/a
Benchmark	+1.5	-10.3	-3.4	+0.5

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 9 December 1980.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	72.49	89.03	99.76
Return before operating charges	1.50	(13.73)	(9.25)
Operating charges	(0.20)	(0.44)	(0.55)
Return after operating charges	1.30	(14.17)	(9.80)
Distributions	(1.57)	(2.37)	(0.93)
Closing NAV	72.22	72.49	89.03
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.55	0.55	0.55
Return after charges	+1.79	-15.92	-9.82
Other information			
Closing NAV (£'000)	24,492	15,790	20,840
Number of shares	33,913,821	21,783,180	23,407,849
Highest share price (UK p)	73.53	90.31	104.71
Lowest share price (UK p)	69.57	69.54	89.06

Sterling Class 'A' Accumulation share performance

The share class was launched on 9 December 1980.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	442.44	526.84	584.70
Return before operating charges	9.25	(81.80)	(54.65)
Operating charges	(1.21)	(2.60)	(3.21)
Return after operating charges	8.04	(84.40)	(57.86)
Distributions	(8.43)	(11.58)	(2.24)
Retained distributions	8.43	11.58	2.24
Closing NAV	450.48	442.44	526.84
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.55	0.55	0.55
Return after charges	+1.82	-16.02	-9.90
Other information			
Closing NAV (£'000)	204,131	193,217	330,110
Number of shares	45,314,164	43,670,942	62,658,781
Highest share price (UK p)	453.58	534.44	616.09
Lowest share price (UK p)	429.15	413.58	525.19

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	836.89	1,024.83	1,144.88
Return before operating charges	17.33	(158.32)	(106.53)
Operating charges	(1.03)	(2.28)	(2.86)
Return after operating charges	16.30	(160.60)	(109.39)
Distributions	(18.14)	(27.34)	(10.66)
Closing NAV	835.05	836.89	1,024.83
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.25	0.25	0.25
Return after charges	+1.95	-15.67	-9.55
Other information			
Closing NAV (£'000)	21,868	17,700	21,226
Number of shares	2,618,775	2,114,998	2,071,200
Highest share price (UK p)	850.17	1,040.11	1,203.56
Lowest share price (UK p)	804.22	801.31	1,024.92

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	958.00	1,137.32	1,258.42
Return before operating charges	20.06	(176.76)	(117.95)
Operating charges	(1.19)	(2.56)	(3.15)
Return after operating charges	18.87	(179.32)	(121.10)
Distributions	(19.69)	(28.12)	(8.60)
Retained distributions	19.69	28.12	8.60
Closing NAV	976.87	958.00	1,137.32
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.25	0.25	0.25
Return after charges	+1.97	-15.77	-9.62
Other information			
Closing NAV (£'000)	88,307	85,671	88,763
Number of shares	9,039,784	8,942,729	7,804,549
Highest share price (UK p)	983.49	1,154.32	1,328.09
Lowest share price (UK p)	930.33	893.80	1,133.56

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 21 April 2022.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Period to 31.05.22 UK p
Opening NAV	80.48	98.45	100.00
Return before operating charges	1.67	(15.21)	(1.37)
Operating charges	(0.06)	(0.13)	(0.02)
Return after operating charges	1.61	(15.34)	(1.39)
Distributions	(1.75)	(2.63)	(0.16)
Closing NAV	80.34	80.48	98.45
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.15	0.15	0.15
Return after charges	+2.00	-15.58	-1.39
Other information			
Closing NAV (£'000)	16	16	20
Number of shares	20,010	20,010	20,010
Highest share price (UK p)	81.79	99.94	101.83
Lowest share price (UK p)	77.36	77.01	98.27

Sterling Class 'PP' Accumulation share performance

The share class was launched on 21 April 2022.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Period to 31.05.22 UK p
Opening NAV	83.14	98.61	100.00
Return before operating charges	1.74	(15.34)	(1.37)
Operating charges	(0.06)	(0.13)	(0.02)
Return after operating charges	1.68	(15.47)	(1.39)
Distributions	(1.75)	(2.53)	(0.14)
Retained distributions	1.75	2.53	0.14
Closing NAV	84.82	83.14	98.61
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.15	0.15	0.15
Return after charges	+2.02	-15.69	-1.39
Other information			
Closing NAV (£'000)	8,284	8,120	20
Number of shares	9,766,492	9,766,492	20,000
Highest share price (UK p)	85.39	100.10	101.83
Lowest share price (UK p)	80.77	77.52	98.27

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		(30)		(47,871)
Revenue	7,171		5,159	
Expenses	(728)		(1,023)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	6,443		4,136	
Taxation	0		0	
Net revenue/(expense) after taxation		6,443		4,136
Total return before distributions		6,413		(43,735)
Distributions		(6,515)		(4,212)
Change in net assets attributable to shareholders from investment activities		(102)		(47,947)

Statement of change in net assets attributable to shareholders

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		320,514		460,979
Amounts received on issue of shares	34,305		21,133	
Amounts paid on cancellation of shares	(13,413)		(17,011)	
		20,892		4,122
Dilution adjustments		16		21
Change in net assets attributable to shareholders from investment activities (see above)		(102)		(47,947)
Retained distributions on Accumulation shares		5,777		3,750
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		347,098		420,926

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

Financial statements and notes

Financial statements

Balance sheet

as at	30 November 2023 £'000	31 May 2023 £'000
Assets		
Fixed assets		
Investments	342,122	316,688
Current assets		
Debtors	4,210	2,435
Cash and bank balances	385	4
Cash equivalents	2,643	6,490
Total assets	349,360	325,617
Liabilities		
Creditors		
Bank overdrafts	0	(3,991)
Distribution payable	(522)	(333)
Other creditors	(1,740)	(779)
Total liabilities	(2,262)	(5,103)
Net assets attributable to shareholders	347,098	320,514

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 March 2023 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the ICE BofAML Global High Yield Index (GBP Hedged) over any five-year period.

Investment policy

At least 80% of the fund is invested, directly or indirectly through derivatives, in below investment grade corporate debt securities. These securities can be issued by companies from anywhere in the world, including emerging markets.

Other investments may include:

- asset-backed securities; and
- other transferable securities, government bonds, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

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

The fund aims to hedge any non-sterling assets back to sterling.

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

Investment approach

The fund is globally diversified across a range of below investment grade (high yield) debt securities from a variety of sectors and geographies. The fund managers focus on the analysis of individual bond issues while remaining aware of macroeconomic developments. Emphasis is placed upon investigating the ability of a bond issuer to meet its interest payments, especially during unfavourable economic conditions.

The fund managers have the flexibility to adjust the fund's credit exposure, sector positioning and regional allocations depending on the assessment of current market valuations and the macroeconomic environment, including the likely path of economic growth, inflation and interest rates.

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

Benchmark

Benchmark: ICE BofAML Global High Yield Index (GBP Hedged).

The benchmark is a target which the fund seeks to outperform.

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

The fund is actively managed.

The fund managers have complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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

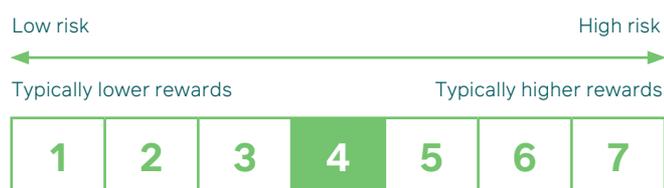
For currency hedged share classes, the benchmark is hedged to the share class currency.

Authorised Corporate Director's Report

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 November 2023

Performance against objective

The M&G Global High Yield Bond Fund delivered positive total returns (the combination of income and capital growth) across all sterling share classes during the six-month review period. However, the fund underperformed its benchmark, the ICE BofAML Global High Yield Index (GBP Hedged), which returned 5.1% over the same period.

Over five years, the fund has delivered positive returns but lagged its benchmark, which returned 2.5% pa over this period. It therefore did not meet its objective of providing a higher total return, net of the ongoing charge figure, than that of the ICE BofAML Global High Yield Index (GBP Hedged) over any five-year period.

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

Performance review

Global high yield bond markets began the review period strongly. Inflation, while still elevated, showed signs of easing, raising hopes that interest rates may be close to peaking. Credit spreads tightened (meaning a smaller difference in yield between different quality bonds of the same maturity) and a more risk-on environment returned. High yield bonds gained, as investors accepted greater default risk in exchange for better returns than those offered by government or investment grade bonds.

However, sentiment cooled in August as central banks signalled rates would stay higher for longer to control inflation. A sell-off of government bonds ensued, continuing into September and October, with a knock-on effect on high yield markets. Markets were shaken in October as the Gaza conflict made investors nervous.

The picture flipped again at the end of the period, as markets rallied on increasing hopes of a soft landing and a more dovish tone from central banks: November was the best month for high yield assets since July 2022.

Overall, high yield bonds outperformed investment grade credit and government bonds during the period. Initially, Europe trailed the US (the easing of European inflation was slower, and interest rates looked more volatile), but the trend was later reversed. The US finished slightly ahead, driven by strong performance from the lowest-rated bonds (CCC and below).

The fund lagged its benchmark, hindered by our defensive positioning: riskier, lower-rated bonds performed better for much of the period. Security selection also dragged on returns, particularly our choices in real estate and transportation. CPI Property and Heimstaden were notable detractors in the former category, while our exposure to US low-cost airline Spirit Airlines proved detrimental in the latter. Retail also detracted, with French grocery chain Casino Guichard Perrachon weighing on returns in the early months. By contrast, our choices in services and capital goods made a positive contribution. Asset allocation

Authorised Corporate Director's Report

had a modestly positive impact on relative performance, notably our overweight in healthcare. Virgin Media was the biggest overall relative contributor, while Summer BidCo and retailer Ocado also boosted relative performance.

Investment activities

The primary market was subdued in July and August, but we participated in new issues including Ford Motor (automotive), Électricité de France (energy), Civitas Resources and Ecopetrol (both oil and gas), and Coty (beauty). As activity picked up after the summer, we bought US Foods, Sunnova (green energy), Permian Resources (oil and gas), Banijay Entertainment (media) and Mineral Resources (commodities) – while selling holdings in Virgin Media, Macys and Millicom.

In the secondary market, we added to our positions in US retailer Kohl's, telecommunications firm VTR and satellite TV provider Dish. We reduced some US cyclical exposure (homebuilder KB Home, chemical manufacturer Olin), instead adding higher-quality names such as Darling Ingredients (recycling) and Ford Motor. Later, we sold holdings in Tenet and DaVita (both healthcare), Trivium (packaging), retailer Picard and financial firm iQera, using the funds to add International Design Group, Paramount TV and Virgin Media. In the secondary FRN market, we purchased 888 (gaming).

We subsequently trimmed exposure to Ford (whose credit rating was upgraded to investment grade) and telecommunications group Altice Finance, which reported mixed results.

We kept fund duration (sensitivity to interest rate changes) broadly neutral relative to the benchmark. Spread duration (sensitivity to changes in credit spreads) was slightly underweight. This reflects our relatively cautious positioning, based on the belief that the lagged effects of tighter monetary policy and the higher-for-longer consensus will eventually weigh on risk assets.

Outlook

Despite the rally at the end of the period, we continue to proceed with caution. While rate cuts are anticipated,

the higher-for-longer narrative still holds and inflation could yet surprise to the upside.

We remain cautious on credit at current spread levels, staying broadly neutral relative to the benchmark and preferring to reduce risk where we can. Technical elements and fundamentals remain supportive, and while defaults could increase slightly, we expect these to be one-offs rather than a wholesale spike. However, we do anticipate some macro deterioration and potentially disappointing earnings, given the lagged effect of tighter monetary policy. We therefore maintain a defensive approach, favouring non-cyclical, less inflation-sensitive names and looking to improve quality.

Stefan Isaacs & James Tomlins

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 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities	31	0.00	0.00
155,654 Adler	31	0.00	
377 Chaparral Energy Warrants 01/10/2024	0	0.00	
377 Chaparral Energy Warrants 01/10/2025	0	0.00	
680,748 Codere ^a	0	0.00	
8,212,459 K2016470219 South Africa ^a	0	0.00	
48,841,504 New World Resources ^a	0	0.00	
Fixed income	1,160,487	93.13	88.27
Debt securities	1,159,873	93.08	88.51
'AA' credit rated bonds	11,441	0.92	0.91
US\$15,002,700 US Treasury 3.25% 30/06/2027	11,441	0.92	
'A' credit rated bonds	3,032	0.24	0.23
€3,655,000 TotalEnergies Var. Rate 3.369% Perpetual	3,032	0.24	
'BBB' credit rated bonds	66,784	5.36	5.95
US\$11,000,000 Celanese 6.165% 15/07/2027	8,781	0.71	
US\$10,082,000 Continental Resources 5.75% 15/01/2031	7,729	0.62	
€3,700,000 Deutsche Bank Var. Rate 1.375% 17/02/2032	2,485	0.20	
US\$5,900,000 HCA 4.5% 15/02/2027	4,524	0.36	
US\$6,940,000 HCA 5.375% 01/09/2026	5,462	0.44	
€7,200,000 Leonardo 2.375% 08/01/2026	6,016	0.48	
US\$5,500,000 LPL Holdings 4% 15/03/2029	3,869	0.31	
US\$6,400,000 NGPL PipeCo 4.875% 15/08/2027	4,872	0.39	
€1,200,000 Orano 4.875% 23/09/2024	1,041	0.08	
US\$5,650,000 Pacific Gas and Electric 4.55% 01/07/2030	4,108	0.33	
US\$5,645,000 Stora Enso 7.25% 15/04/2036	4,638	0.37	
US\$11,000,000 Targa Resources Partners 4% 15/01/2032	7,575	0.61	
US\$6,800,000 Targa Resources Partners 4.875% 01/02/2031	4,995	0.40	
US\$919,296 United Airlines 2020-1 Class B Pass Through Trust 4.875% 15/01/2026	689	0.06	
'BB' credit rated bonds	557,355	44.73	41.67
€5,600,000 ABN AMRO Bank Var. Rate 4.75% Perpetual	4,233	0.34	
US\$5,000,000 ADT Security 4.125% 01/08/2029	3,526	0.28	
US\$3,552,000 Albertsons 3.5% 15/03/2029	2,482	0.20	
US\$6,300,000 Albertsons 5.875% 15/02/2028	4,904	0.39	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
US\$4,550,000 Allwyn Entertainment Financing 7.875% 30/04/2029	3,589	0.29	
US\$5,729,113 American Airlines 5.5% 20/04/2026	4,442	0.36	
US\$6,000,000 American Airlines 7.25% 15/02/2028	4,677	0.38	
US\$4,075,000 American Airlines 8.5% 15/05/2029	3,314	0.27	
US\$2,000,000 American Airlines 11.75% 15/07/2025	1,729	0.14	
US\$7,524,000 Antero Midstream Partners/Antero Midstream Finance 5.75% 15/01/2028	5,756	0.46	
€2,000,000 Avantor Funding 2.625% 01/11/2025	1,673	0.13	
£2,052,000 B&M European Value Retail 4% 15/11/2028	1,813	0.15	
€3,800,000 Banco Bilbao Vizcaya Argentaria Var. Rate 6% Perpetual	3,254	0.26	
£3,700,000 Barclays Var. Rate 8.875% Perpetual	3,553	0.28	
US\$1,000,000 Bath & Body Works 5.25% 01/02/2028	756	0.06	
US\$4,400,000 Bath & Body Works 6.625% 01/10/2030	3,440	0.28	
US\$2,450,000 Bath & Body Works 6.75% 01/07/2036	1,788	0.14	
€3,000,000 Belden 3.375% 15/07/2031	2,190	0.18	
€1,300,000 Belden 3.875% 15/03/2028	1,065	0.09	
€2,238,000 Benteler International 9.375% 15/05/2028	2,022	0.16	
US\$3,800,000 Benteler International 10.5% 15/05/2028	3,093	0.25	
US\$5,500,000 Berry Global 4.875% 15/07/2026	4,188	0.34	
US\$5,300,000 Calpine 4.5% 15/02/2028	3,946	0.32	
€2,397,000 Canpack 2.375% 01/11/2027	1,793	0.14	
US\$5,000,000 Canpack 3.875% 15/11/2029	3,269	0.26	
US\$8,300,000 Carnival 4% 01/08/2028	5,893	0.47	
€1,000,000 Cellnex Finance 2% 15/09/2032	708	0.06	
€1,900,000 Cellnex Finance 2% 15/02/2033	1,336	0.11	
€900,000 Cellnex Telecom 1.75% 23/10/2030	659	0.05	
US\$2,242,000 Cheniere Energy Partners 3.25% 31/01/2032	1,458	0.12	
US\$4,800,000 Cheniere Energy Partners 4.5% 01/10/2029	3,540	0.28	
€2,000,000 Citycon Var. Rate 3.625% Perpetual	982	0.08	
US\$8,088,000 Clean Harbors 6.375% 01/02/2031	6,336	0.51	
€6,000,000 Commerzbank Var. Rate 6.125% Perpetual	4,863	0.39	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
US\$8,000,000 Coty 6.625% 15/07/2030	6,337	0.51	
€6,965,000 CPI Property Var. Rate 4.875% Perpetual	1,482	0.12	
US\$4,500,000 Crowdstrike Holdings 3% 15/02/2029	3,123	0.25	
US\$4,065,000 Crown Americas Capital 4.25% 30/09/2026	3,058	0.25	
€2,970,000 Crown European 3.375% 15/05/2025	2,533	0.20	
US\$7,548,000 Darling Ingredients 6% 15/06/2030	5,745	0.46	
US\$400,000 Deutsche Bank 4.5% 01/04/2025	307	0.02	
€1,600,000 Deutsche Bank Var. Rate 4% 24/06/2032	1,274	0.10	
€3,836,000 Dometic 2% 29/09/2028	2,760	0.22	
US\$3,729,000 Domtar 6.75% 01/10/2028	2,547	0.20	
€1,489,000 Drax Finco 2.625% 01/11/2025	1,225	0.10	
US\$2,750,000 Drax Finco 6.625% 01/11/2025	2,127	0.17	
US\$3,700,000 DT Midstream 4.125% 15/06/2029	2,602	0.21	
US\$7,189,000 DT Midstream 4.375% 15/06/2031	4,981	0.40	
US\$5,500,000 Ecopetrol 6.875% 29/04/2030	4,103	0.33	
US\$3,000,000 Ecopetrol 8.625% 19/01/2029	2,452	0.20	
US\$1,898,000 Ecopetrol 8.875% 13/01/2033	1,540	0.12	
US\$4,000,000 Energean Israel Finance 5.875% 30/03/2031	2,663	0.21	
US\$6,372,000 EQM Midstream Partners 4.5% 15/01/2029	4,590	0.37	
US\$3,500,000 EQM Midstream Partners 5.5% 15/07/2028	2,669	0.21	
US\$4,800,000 EQM Midstream Partners 6.5% 01/07/2027	3,798	0.30	
€2,000,000 Eramet 7% 22/05/2028	1,713	0.14	
€5,592,000 Eurobank Var. Rate 7% 26/01/2029	5,087	0.41	
€1,638,000 Eurofins Scientific Var. Rate 3.25% Perpetual	1,334	0.11	
US\$8,656,000 Ford Motor 6.1% 19/08/2032	6,654	0.53	
US\$4,000,000 Ford Motor Credit 4% 13/11/2030	2,721	0.22	
US\$6,000,000 Ford Motor Credit 4.134% 04/08/2025	4,556	0.37	
US\$13,107,000 Ford Motor Credit 4.95% 28/05/2027	9,864	0.79	
US\$3,000,000 Ford Motor Credit 5.113% 03/05/2029	2,227	0.18	
US\$5,245,000 Ford Motor Credit 6.95% 10/06/2026	4,188	0.34	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
US\$3,937,000 GN Bondco 9.5% 15/10/2031	2,949	0.24	
US\$6,450,000 Greenko Solar Mauritius 5.55% 29/01/2025	4,966	0.40	
€4,735,000 Grifols 2.25% 15/11/2027	3,725	0.30	
£6,500,000 GTCRW-2 Merger Sub 8.5% 15/01/2031	6,728	0.54	
US\$6,000,000 Hilcorp Energy 5.75% 01/02/2029	4,470	0.36	
US\$3,000,000 Icahn Enterprises 5.25% 15/05/2027	2,147	0.17	
€4,300,000 Infineon Technologies Var. Rate 3.625% Perpetual	3,466	0.28	
€2,071,000 Infrastrutture Wireless Italiane 1.875% 08/07/2026	1,689	0.14	
US\$5,975,000 International Game Technology 4.125% 15/04/2026	4,479	0.36	
€2,955,000 Intesa Sanpaolo FRN 9.125% Perpetual	2,706	0.22	
US\$7,500,000 IQVIA 6.5% 15/05/2030	6,004	0.48	
US\$7,931,000 Iron Mountain 7% 15/02/2029	6,299	0.51	
US\$7,250,000 Jaguar Land Rover Automotive 7.75% 15/10/2025	5,779	0.46	
US\$9,858,000 Jazz Securities 4.375% 15/01/2029	6,988	0.56	
US\$3,000,000 KB Home 4.8% 15/11/2029	2,156	0.17	
€8,400,000 KBC Var. Rate 4.25% Perpetual	6,477	0.52	
US\$3,715,000 Kohl's 4.625% 01/05/2031	2,125	0.17	
US\$6,227,000 KUO 5.75% 07/07/2027	4,336	0.35	
€10,748,000 Levi Strauss 3.375% 15/03/2027	8,953	0.72	
US\$2,655,000 Levi Strauss 3.5% 01/03/2031	1,758	0.14	
€4,700,000 Lloyds Banking Var. Rate 4.947% Perpetual	3,877	0.31	
US\$7,730,000 Macquarie Airfinance Holdings 8.375% 01/05/2028	6,291	0.50	
US\$2,602,000 Macy's Retail 5.875% 01/04/2029	1,929	0.15	
US\$1,671,000 Macy's Retail 5.875% 15/03/2030	1,196	0.10	
€3,600,000 Mahle 2.375% 14/05/2028	2,517	0.20	
US\$3,521,000 Melco Resorts Finance 5.375% 04/12/2029	2,320	0.19	
US\$3,678,000 Meritage Homes 3.875% 15/04/2029	2,568	0.21	
US\$5,100,000 Millicom International Cellular 4.5% 27/04/2031	3,225	0.26	
US\$3,848,000 Millicom International Cellular (non-public offering) 4.5% 27/04/2031	2,431	0.19	
US\$2,465,000 Mineral Resources 9.25% 01/10/2028	1,997	0.16	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
£4,400,000 Nationwide Building Society Var. Rate 5.875% Perpetual	4,242	0.34	
US\$6,362,000 Network i2i Var. Rate 3.975% Perpetual	4,614	0.37	
US\$5,171,000 New Red Finance 3.875% 15/01/2028	3,759	0.30	
US\$8,000,000 Newell Brands 4.875% 01/06/2025	6,160	0.49	
US\$3,000,000 Norddeutsche Landesbank-Girozentrale 6.25% 10/04/2024	2,331	0.19	
US\$3,130,000 Nordstrom 4.25% 01/08/2031	1,933	0.15	
€3,300,000 Novo Banco Var. Rate 9.875% 01/12/2033	3,073	0.25	
US\$3,000,000 Occidental Petroleum 6.45% 15/09/2036	2,444	0.20	
US\$6,050,000 Occidental Petroleum 6.625% 01/09/2030	4,973	0.40	
€1,807,000 OI European 2.875% 15/02/2025	1,532	0.12	
US\$5,252,000 Olin 5% 01/02/2030	3,760	0.30	
US\$3,067,000 Paramount Global FRN 6.375% 30/03/2062	1,940	0.16	
US\$4,000,000 Petrobras Global Finance 5.6% 03/01/2031	3,049	0.24	
US\$6,378,000 Pilgrim's Pride 3.5% 01/03/2032	4,092	0.33	
US\$11,197,000 Pilgrim's Pride 4.25% 15/04/2031	7,664	0.61	
US\$4,100,000 Pilgrim's Pride 6.25% 01/07/2033	3,187	0.26	
£2,500,000 Pinewood Finance 3.25% 30/09/2025	2,388	0.19	
£5,400,000 Pinewood Finance 3.625% 15/11/2027	4,843	0.39	
€6,192,000 Playtech 4.25% 07/03/2026	5,197	0.42	
US\$4,149,000 PRA Health Sciences 2.875% 15/07/2026	3,048	0.24	
£4,687,000 Premier Foods Finance 3.5% 15/10/2026	4,323	0.35	
US\$7,240,000 Rand Parent 8.5% 15/02/2030	5,366	0.43	
US\$3,250,000 Range Resources 8.25% 15/01/2029	2,659	0.21	
US\$5,158,000 Rede D'or Finance 4.95% 17/01/2028	3,770	0.30	
€8,000,000 Rexel 2.125% 15/12/2028	6,194	0.50	
US\$3,500,000 Rogers Communications Var. Rate 5.25% 15/03/2082	2,539	0.20	
€8,959,000 Rolls-Royce 1.625% 09/05/2028	6,830	0.55	
US\$1,804,000 Royal Caribbean Cruises 7.25% 15/01/2030	1,456	0.12	
US\$12,800,000 Royal Caribbean Cruises 9.25% 15/01/2029	10,813	0.87	
€8,675,000 Sappi Papier 3.625% 15/03/2028	7,026	0.56	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
€5,400,000 Schaeffler 2.75% 12/10/2025	4,531	0.36	
US\$5,794,000 Sealed Air 6.125% 01/02/2028	4,538	0.36	
US\$8,340,000 Sirius XM Radio 5% 01/08/2027	6,283	0.50	
US\$5,000,000 Société Générale Var. Rate 7.875% Perpetual	3,958	0.32	
€6,000,000 SoftBank 3.875% 06/07/2032	4,196	0.34	
US\$1,655,000 Southwestern Energy 4.75% 01/02/2032	1,161	0.09	
US\$2,450,000 Spirit AeroSystems 9.375% 30/11/2029	2,086	0.17	
US\$3,629,000 Talen Energy Supply 8.625% 01/06/2030	3,022	0.24	
US\$6,944,000 TEGNA 4.625% 15/03/2028	4,987	0.40	
€3,982,000 Tereos Finance I 4.75% 30/04/2027	3,361	0.27	
€3,911,000 Tereos Finance I 7.5% 30/10/2025	3,436	0.28	
€1,740,000 Teva Pharmaceutical Finance Netherlands II 1.625% 15/10/2028	1,224	0.10	
€5,000,000 Teva Pharmaceutical Finance Netherlands II 1.875% 31/03/2027	3,821	0.31	
€1,251,000 Teva Pharmaceutical Finance Netherlands II 4.5% 01/03/2025	1,072	0.09	
US\$7,000,000 Teva Pharmaceutical Finance Netherlands III 3.15% 01/10/2026	5,024	0.40	
US\$2,300,000 Teva Pharmaceutical Finance Netherlands III 6.75% 01/03/2028	1,814	0.15	
US\$4,061,000 Teva Pharmaceutical Finance Netherlands III 7.875% 15/09/2029	3,339	0.27	
US\$5,610,000 UBS Var. Rate 7% Perpetual	4,339	0.35	
€6,500,000 UniCredit Var. Rate 7.5% Perpetual	5,616	0.45	
US\$1,754,000 United Airlines 4.375% 15/04/2026	1,318	0.11	
US\$2,311,000 United Airlines 4.625% 15/04/2029	1,629	0.13	
€3,193,000 Var Energi FRN 7.862% 15/11/2083	2,793	0.22	
£5,000,000 Virgin Media Secured Finance 4.125% 15/08/2030	4,107	0.33	
£5,000,000 Virgin Media Secured Finance 5.25% 15/05/2029	4,452	0.36	
€5,000,000 Vodafone Var. Rate 2.625% 27/08/2080	4,014	0.32	
US\$4,150,000 Vodafone Var. Rate 7% 04/04/2079	3,304	0.26	
€7,238,000 WMG Acquisition 2.25% 15/08/2031	5,220	0.42	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
€3,660,000 WMG Acquisition 2.75% 15/07/2028	2,946	0.24	
US\$3,400,000 Yum! Brands 4.625% 31/01/2032	2,414	0.19	
US\$5,742,000 Yum! Brands 5.375% 01/04/2032	4,283	0.34	
€900,000 ZF Europe Finance 3% 23/10/2029	689	0.06	
€3,000,000 ZF Finance 2.75% 25/05/2027	2,397	0.19	
€4,500,000 ZF Finance 3.75% 21/09/2028	3,671	0.29	
€1,400,000 ZF Finance 5.75% 03/08/2026	1,227	0.10	
US\$1,000,000 ZF North America Capital 6.875% 14/04/2028	797	0.06	
'B' credit rated bonds	438,218	35.17	33.18
US\$694,000 1375209 BC 9% 30/01/2028	529	0.04	
€7,500,000 888 Acquisitions 7.558% 15/07/2027	6,073	0.49	
US\$8,616,000 AdaptHealth 5.125% 01/03/2030	5,432	0.44	
€4,155,000 Adler 12.5% 30/06/2025	3,722	0.30	
€2,200,000 Altice France 3.375% 15/01/2028	1,397	0.11	
€7,432,000 Altice France 4% 15/07/2029	4,605	0.37	
€3,331,000 Ardagh Packaging Finance 2.125% 15/08/2026	2,533	0.20	
US\$2,800,000 Ardagh Packaging Finance 4.125% 15/08/2026	1,967	0.16	
US\$1,000,000 Ardagh Packaging Finance 5.25% 30/04/2025	767	0.06	
US\$3,000,000 Ascent Resources Utica 5.875% 30/06/2029	2,171	0.17	
US\$5,000,000 Ascent Resources Utica 8.25% 31/12/2028	3,957	0.32	
US\$10,865,000 Ashton Woods 4.625% 01/08/2029	7,310	0.59	
€8,000,000 Avantor Funding 3.875% 15/07/2028	6,542	0.53	
€3,281,000 Banijay Entertainment 7% 01/05/2029	2,876	0.23	
£2,000,000 Bellis Acquisition 3.25% 16/02/2026	1,822	0.15	
£3,878,000 Bellis Acquisition 4.5% 16/02/2026	3,614	0.29	
€5,000,000 Boxer Parent 6.5% 02/10/2025	4,280	0.34	
€4,256,000 Burger King FRN 8% 01/11/2026	3,685	0.30	
US\$2,037,000 Caesars Entertainment 4.625% 15/10/2029	1,410	0.11	
US\$13,000,000 Caesars Entertainment 6.25% 01/07/2025	10,208	0.82	
US\$6,068,000 Calderys Financing 11.25% 01/06/2028	4,871	0.39	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'B' credit rated bonds (continued)			
US\$4,582,000 Carnival 10.375% 01/05/2028	3,944	0.32	
US\$10,500,000 CCO 4.25% 01/02/2031	6,930	0.56	
US\$4,100,000 CCO 4.5% 15/08/2030	2,787	0.22	
US\$2,296,000 CCO 4.5% 01/05/2032	1,493	0.12	
US\$8,906,000 CCO 5.125% 01/05/2027	6,698	0.54	
US\$17,459,000 CCO 5.5% 01/05/2026	13,473	1.08	
€2,500,000 Cheplapharm Arzneimittel 4.375% 15/01/2028	2,036	0.16	
€3,800,000 Cheplapharm Arzneimittel 7.5% 15/05/2030	3,355	0.27	
US\$10,000,000 CHS 4.75% 15/02/2031	5,850	0.47	
US\$1,000,000 CHS 5.25% 15/05/2030	622	0.05	
US\$2,733,000 Citgo Petroleum 8.375% 15/01/2029	2,175	0.17	
US\$12,037,000 Civitas Resources 8.375% 01/07/2028	9,718	0.78	
US\$6,131,000 CNX Resources 7.375% 15/01/2031	4,813	0.39	
US\$9,200,000 Colgate Energy 5.875% 01/07/2029	6,931	0.56	
US\$7,700,000 Comstock Resources 6.75% 01/03/2029	5,594	0.45	
£3,590,000 Constellation Automotive Financing 4.875% 15/07/2027	2,803	0.22	
£2,198,000 CPUK Finance 4.5% 28/08/2027	1,911	0.15	
£3,734,000 CPUK Finance 6.5% 28/08/2026	3,551	0.29	
US\$8,500,000 CSC 4.125% 01/12/2030	4,802	0.39	
US\$2,000,000 CSC 5.5% 15/04/2027	1,406	0.11	
€2,695,000 Cullinan 4.625% 15/10/2026	1,733	0.14	
£4,779,000 Deuce Finco 5.5% 15/06/2027	4,301	0.35	
€3,690,000 Diamond Escrow 9.625% 15/11/2028	3,260	0.26	
US\$3,218,000 DISH DBS 5.25% 01/12/2026	2,034	0.16	
US\$2,718,000 DISH DBS 5.75% 01/12/2028	1,601	0.13	
US\$6,868,000 Dish Network 11.75% 15/11/2027	5,392	0.43	
US\$4,800,000 Électricité de France 9.125% Perpetual	4,047	0.32	
US\$4,391,000 EquipmentShare.com 9% 15/05/2028	3,445	0.28	
US\$5,500,000 Frontier Communications 8.625% 15/03/2031	4,296	0.34	
€7,500,000 Gruenenthal 6.75% 15/05/2030	6,712	0.54	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'B' credit rated bonds (continued)			
US\$10,000,000 H+E Equipment Services 3.875% 15/12/2028	7,000	0.56	
£6,500,000 Heathrow Finance 3.875% 01/03/2027	5,862	0.47	
€5,700,000 Heimstaden Var. Rate 6.75% Perpetual	942	0.08	
€3,761,784 Hellas Telecom III 0% 01/01/2049 ^b	0	0.00	
US\$3,038,000 iHeartCommunications 4.75% 15/01/2028	1,827	0.15	
€3,500,000 Iliad 5.125% 15/10/2026	2,976	0.24	
€3,222,000 International Design 10% 15/11/2028	2,797	0.22	
€6,500,000 Intrum 3.5% 15/07/2026	4,455	0.36	
€3,841,000 IPD 3 8% 15/06/2028	3,440	0.28	
US\$5,500,000 LCPR Senior Secured Financing 6.75% 15/10/2027	4,101	0.33	
US\$1,131,000 Light & Wonder International 7.5% 01/09/2031	907	0.07	
US\$1,881,000 Liquid Telecommunications Financing 5.5% 04/09/2026	877	0.07	
US\$910,000 Matador Resources 6.875% 15/04/2028	722	0.06	
US\$2,105,000 Mauser Packaging Solutions 7.875% 15/08/2026	1,649	0.13	
US\$3,814,000 McGraw-Hill Education 5.75% 01/08/2028	2,757	0.22	
US\$5,757,000 Medline Borrower 3.875% 01/04/2029	4,041	0.32	
US\$3,590,000 MGM China 4.75% 01/02/2027	2,591	0.21	
€7,575,000 Monitchem 3 8.75% 01/05/2028	6,493	0.52	
US\$7,500,000 NCR 5% 01/10/2028	5,409	0.43	
£4,078,000 Ocado 3.875% 08/10/2026	3,375	0.27	
US\$4,500,000 Owens & Minor 4.5% 31/03/2029	3,037	0.24	
US\$1,880,000 Owens & Minor 6.625% 01/04/2030	1,385	0.11	
US\$3,200,000 Owens-Brockway Glass Container 6.375% 15/08/2025	2,515	0.20	
US\$569,000 Owens-Brockway Glass Container 6.625% 13/05/2027	445	0.04	
US\$1,597,000 Performance Food 5.5% 15/10/2027	1,216	0.10	
US\$1,547,000 Permian Resources Operating 7% 15/01/2032	1,223	0.10	
€5,500,000 Petroleos Mexicanos 4.75% 26/02/2029	3,701	0.30	
US\$22,290,000 Petroleos Mexicanos 6.5% 13/03/2027	15,843	1.27	
US\$12,000,000 Petroleos Mexicanos 6.625% 15/06/2035	6,628	0.53	
US\$10,932,000 Petroleos Mexicanos 6.7% 16/02/2032	6,729	0.54	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'B' credit rated bonds (continued)			
US\$10,000,000 PetSmart /PetSmart Finance 4.75% 15/02/2028	7,237	0.58	
€2,700,000 Pfeleiderer 4.75% 15/04/2026	1,618	0.13	
US\$6,492,000 Prestige Brands 3.75% 01/04/2031	4,279	0.34	
€3,000,000 Q-Park I 2% 01/03/2027	2,386	0.19	
US\$4,545,000 Spirit Aerosystems 9.75% 15/11/2030	3,780	0.30	
US\$11,089,546 Spirit Loyalty 8% 20/09/2025	6,317	0.51	
US\$11,000,000 Stagwell Global 5.625% 15/08/2029	7,650	0.61	
US\$6,850,000 Staples 7.5% 15/04/2026	4,724	0.38	
US\$1,325,000 Star Parent 9% 01/10/2030	1,089	0.09	
US\$8,000,000 Studio City Finance 6.5% 15/01/2028	5,563	0.45	
US\$1,500,000 Studio City Finance (non-public offering) 6.5% 15/01/2028	1,042	0.08	
€5,074,811 Summer BidCo 9% 15/11/2025	4,301	0.35	
US\$3,232,000 Sunnova Energy 11.75% 01/10/2028	2,164	0.17	
€12,000,000 Techem Verwaltungsgesellschaft 675 2% 15/07/2025	10,053	0.81	
US\$6,600,000 Telecom Italia 5.303% 30/05/2024	5,149	0.41	
€2,000,000 Telecom Italia 7.875% 31/07/2028	1,838	0.15	
US\$5,000,000 Tenet Healthcare 4.625% 15/06/2028	3,696	0.30	
US\$5,500,000 Tenet Healthcare 4.875% 01/01/2026	4,271	0.34	
€3,500,000 TI Automotive Finance 3.75% 15/04/2029	2,668	0.21	
€8,100,000 TK Elevator Midco 4.375% 15/07/2027	6,599	0.53	
€6,900,000 TMNL Holding 3.75% 15/01/2029	5,494	0.44	
€2,212,000 Trivium Packaging Finance 3.75% 15/08/2026	1,806	0.14	
£1,487,000 TVL Finance 10.25% 28/04/2028	1,518	0.12	
US\$4,556,000 US Foods 6.875% 15/09/2028	3,645	0.29	
€7,500,000 Verisure 5.25% 15/02/2029	5,909	0.47	
€3,171,000 Verisure 9.25% 15/10/2027	2,932	0.24	
US\$5,442,000 Vertiv 4.125% 15/11/2028	3,892	0.31	
US\$4,400,000 Viking Ocean Cruises Ship VII 5.625% 15/02/2029	3,214	0.26	
£3,800,000 Virgin Media Vendor Financing Notes III 4.875% 15/07/2028	3,304	0.27	
£4,909,000 Voyage Care 5.875% 15/02/2027	3,590	0.29	

Portfolio statement

Investments (continued)

Holding		as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)				
Debt securities (continued)				
'B' credit rated bonds (continued)				
US\$2,550,000	Wynn Las Vegas 5.5% 01/03/2025	1,987	0.16	
US\$2,973,000	Wynn Macau 5.625% 26/08/2028	2,076	0.17	
	'CCC' credit rated bonds	78,882	6.33	6.25
€2,000,000	Agps Bondco 1.875% 14/01/2026	654	0.05	
€3,000,000	Agps Bondco 2.25% 14/01/2029	836	0.07	
US\$5,500,000	Ardagh Metal Packaging Finance 4% 01/09/2029	3,426	0.28	
US\$4,189,000	ASP Unifrax 5.25% 30/09/2028	2,302	0.18	
US\$888,000	ASP Unifrax 7.5% 30/09/2029	361	0.03	
US\$3,500,000	Bausch Health 4.875% 01/06/2028	1,366	0.11	
US\$1,230,000	Bausch Health 11% 30/09/2028	603	0.05	
US\$3,200,000	CHS 6.875% 15/04/2029	1,466	0.12	
US\$5,000,000	DISH DBS 5.875% 15/11/2024	3,473	0.28	
US\$5,973,000	Glatfelter 4.75% 15/11/2029	2,819	0.23	
€5,160,000	Grifols Escrow Issuer 3.875% 15/10/2028	3,912	0.31	
€4,000,000	Herens Midco 5.25% 15/05/2029	1,965	0.16	
US\$5,137,000	Kenbourne Invest 4.7% 22/01/2028	2,264	0.18	
€5,851,064	Lhmc Finco 2 7.25% 02/10/2025	4,984	0.40	
US\$8,182,000	McGraw-Hill Education 8% 01/08/2029	5,825	0.47	
US\$5,000,000	Mclaren Finance 7.5% 01/08/2026	3,356	0.27	
US\$3,787,000	Mozart Debt Merger Sub 5.25% 01/10/2029	2,715	0.22	
€4,900,000	Sani 5.625% 15/12/2026	3,905	0.31	
US\$9,942,000	Scientific Games 6.625% 01/03/2030	7,022	0.56	
€2,362,064	Selecta 8% 01/04/2026	1,910	0.15	
€1,138,973	Selecta 10% 01/07/2026	765	0.06	
€8,200,000	Sigma Holdco 5.75% 15/05/2026	5,943	0.48	
US\$3,894,000	Staples 10.75% 15/04/2027	1,908	0.15	
€2,618,251	Techem Verwaltungsgesellschaft 674 6% 30/07/2026	2,227	0.18	
US\$3,687,000	Transocean 11.5% 30/01/2027	2,994	0.24	
US\$2,958,000	Transocean (non-public offering) 11.5% 30/01/2027	2,424	0.19	
US\$10,970,000	Triton Water 6.25% 01/04/2029	7,457	0.60	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'CC' credit rated bonds	1,670	0.13	0.00
US\$245,000 Bausch Health 14% 15/10/2030	99	0.01	
US\$5,000,000 VTR Comunicaciones 4.375% 15/04/2029	1,571	0.12	
'C' credit rated bonds	1,579	0.13	0.15
US\$1,543,000 Bausch Health 5% 15/02/2029	414	0.03	
€2,000,000 Casino Guichard Perrachon 5.25% 15/04/2027	12	0.00	
€5,600,000 Casino Guichard Perrachon 6.625% 15/01/2026	45	0.00	
US\$614,138 Sunac China 1% 30/09/2032	49	0.00	
US\$496,822 Sunac China 6% 30/09/2026	60	0.01	
US\$496,822 Sunac China 6.25% 30/09/2027	54	0.01	
US\$993,644 Sunac China 6.5% 30/09/2027	99	0.01	
US\$1,490,466 Sunac China 6.75% 30/09/2028	125	0.01	
US\$1,490,466 Sunac China 7% 30/09/2029	113	0.01	
US\$700,128 Sunac China 7.25% 30/09/2030	49	0.00	
US\$4,000,000 VTR Finance 6.375% 15/07/2028	559	0.05	
'D' credit rated bonds	909	0.07	0.13
US\$4,200,000 Country Garden 3.125% 22/10/2025	277	0.02	
€50,000 Lehman Brothers 0% 26/09/2040 ^b	0	0.00	
US\$3,600,000 Yuzhou 6.35% 13/01/2027	176	0.02	
US\$5,580,000 Yuzhou 7.85% 12/08/2026	288	0.02	
US\$3,500,000 Yuzhou 8.3% 27/05/2025	168	0.01	
Bonds with no credit rating	3	0.00	0.04
£2,152,000 House of Fraser Funding 0% 30/12/2050 ^a	3	0.00	
US\$711,674 K2016470219 South Africa 1% 31/12/2049 ^b	0	0.00	
Debt derivatives	614	0.05	(0.24)
Credit default swaps	0	0.00	(0.16)
Interest rate futures	614	0.05	(0.08)
(113) Long Gilt Mar 2024	(169)	(0.01)	
70 10 Year US Treasury Note Mar 2024	60	0.00	
1,239 5 Year US Treasury Note Mar 2024	872	0.07	
(465) Euro-Bobl Dec 2023	(149)	(0.01)	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Currency	17,484	1.40	0.72
Forward currency contracts	17,484	1.40	0.72
€(372,825,276) Sold for £324,424,855 (expires 31.01.24)	1,760	0.14	
US\$9,941,416 Bought for £7,931,591 (expires 31.01.24)	(71)	(0.01)	
US\$(515,307,170) Sold for £422,452,421 (expires 31.01.24)	14,991	1.20	
US\$(488,138,472) Sold for £386,950,370 (expires 13.12.23)	804	0.07	
Total portfolio	1,178,002	94.53	88.99
Net other assets/(liabilities)	68,121	5.47	11.01
Net assets attributable to shareholders	1,246,123	100.00	100.00

^a Suspended.

^b Defaulted bond.

Portfolio statement

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

Largest purchases	£'000
CCO 5.5% 01/05/2026	13,183
Techem Verwaltungsgesellschaft 675 2% 15/07/2025	10,034
Civitas Resources 8.375% 01/07/2028	9,523
H+E Equipment Services 3.875% 15/12/2028	7,007
GTCRW-2 Merger Sub 8.5% 15/01/2031	6,592
Coty 6.625% 15/07/2030	6,228
Newell Brands 4.875% 01/06/2025	6,182
Darling Ingredients 6% 15/06/2030	5,891
Telecom Italia 5.303% 30/05/2024	4,969
Pinnacle Bidco 6.375% 15/02/2025	4,890
Other purchases	113,570
Total purchases	188,069

Largest sales	£'000
Sprint 7.875% 15/09/2023	11,432
Ford Motor Credit 4.95% 28/05/2027	7,713
Spirit AeroSystems 7.5% 15/04/2025	7,353
Bellis Acquisition 3.25% 16/02/2026	6,287
Tenet Healthcare 5.125% 01/11/2027	6,138
Seagate HDD Cayman 4.875% 01/03/2024	5,547
Pinnacle Bidco 6.375% 15/02/2025	5,000
Q-Park I 2% 01/03/2027	4,749
Olin 5% 01/02/2030	4,382
Lottomatica 5.125% 15/07/2025	3,996
Other sales	123,267
Total sales	185,864

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+2.8	-1.2	+1.4	+2.0
Class 'A' Accumulation	+2.8	-1.2	+1.3	+2.0
Class 'I' Income	+3.0	-0.8	+1.8	+2.5
Class 'I' Accumulation	+3.0	-0.8	+1.8	+2.5
Class 'PP' Income	+3.0	-0.7	n/a	n/a
Class 'PP' Accumulation	+3.0	-0.7	n/a	n/a
Class 'R' Income	+2.8	-1.0	+1.5	+2.2
Class 'R' Accumulation	+2.8	-1.0	+1.5	+2.2
Benchmark	+5.1	-0.3	+2.5	+3.3

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 1 October 2002.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	38.80	41.71	47.55
Return before operating charges	1.61	(0.23)	(3.21)
Operating charges	(0.19)	(0.39)	(0.46)
Return after operating charges	1.42	(0.62)	(3.67)
Distributions	(1.22)	(2.29)	(2.17)
Closing NAV	39.00	38.80	41.71
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.98	0.98	0.98
Return after charges	+3.66	-1.49	-7.72
Other information			
Closing NAV (£'000)	255,591	274,892	52,702
Number of shares	655,305,522	708,560,120	126,366,616
Highest share price (UK p)	39.34	41.71	48.23
Lowest share price (UK p)	37.67	37.32	41.02

Sterling Class 'A' Accumulation share performance

The share class was launched on 1 October 2002.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	131.97	133.84	145.52
Return before operating charges	5.58	(0.60)	(10.26)
Operating charges	(0.66)	(1.27)	(1.42)
Return after operating charges	4.92	(1.87)	(11.68)
Distributions	(3.55)	(6.27)	(5.35)
Retained distributions	3.55	6.27	5.35
Closing NAV	136.89	131.97	133.84
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.98	0.98	0.98
Return after charges	+3.73	-1.40	-8.03
Other information			
Closing NAV (£'000)	260,794	310,587	247,184
Number of shares	190,514,980	235,351,317	184,689,814
Highest share price (UK p)	136.89	135.07	148.97
Lowest share price (UK p)	130.80	122.16	131.07

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	847.75	907.71	1,030.66
Return before operating charges	35.41	(5.00)	(70.02)
Operating charges	(2.47)	(5.00)	(5.86)
Return after operating charges	32.94	(10.00)	(75.88)
Distributions	(26.69)	(49.96)	(47.07)
Closing NAV	854.00	847.75	907.71
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.01
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.01	0.02	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.58	0.58	0.58
Return after charges	+3.89	-1.10	-7.36
Other information			
Closing NAV (£'000)	82,274	74,077	74,136
Number of shares	9,633,960	8,737,982	8,167,434
Highest share price (UK p)	859.78	907.76	1,046.49
Lowest share price (UK p)	824.52	813.44	892.69

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	1,419.22	1,433.66	1,552.46
Return before operating charges	60.15	(6.32)	(109.79)
Operating charges	(4.18)	(8.12)	(9.01)
Return after operating charges	55.97	(14.44)	(118.80)
Distributions	(41.07)	(72.92)	(63.40)
Retained distributions	41.07	72.92	63.40
Closing NAV	1,475.19	1,419.22	1,433.66
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.03	0.02
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.02	0.03	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.58	0.58	0.58
Return after charges	+3.94	-1.01	-7.65
Other information			
Closing NAV (£'000)	81,656	82,262	65,976
Number of shares	5,535,256	5,796,292	4,601,916
Highest share price (UK p)	1,475.19	1,450.77	1,591.28
Lowest share price (UK p)	1,408.94	1,310.59	1,403.90

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	81.23	86.89	98.56
Return before operating charges	3.40	(0.48)	(6.71)
Operating charges	(0.20)	(0.40)	(0.46)
Return after operating charges	3.20	(0.88)	(7.17)
Distributions	(2.56)	(4.78)	(4.50)
Closing NAV	81.87	81.23	86.89
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.48	0.48	0.48
Return after charges	+3.94	-1.01	-7.27
Other information			
Closing NAV (£'000)	951	987	1,084
Number of shares	1,161,296	1,215,296	1,247,390
Highest share price (UK p)	82.40	86.89	100.10
Lowest share price (UK p)	79.04	77.89	85.45

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	100.86	101.78	110.10
Return before operating charges	4.27	(0.44)	(7.79)
Operating charges	(0.25)	(0.48)	(0.53)
Return after operating charges	4.02	(0.92)	(8.32)
Distributions	(2.97)	(5.28)	(4.61)
Retained distributions	2.97	5.28	4.61
Closing NAV	104.88	100.86	101.78
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.48	0.48	0.48
Return after charges	+3.99	-0.90	-7.56
Other information			
Closing NAV (£'000)	533,494	530,813	270,915
Number of shares	508,651,242	526,310,898	266,183,088
Highest share price (UK p)	104.88	103.06	112.89
Lowest share price (UK p)	100.16	93.07	99.66

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	83.15	89.25	101.60
Return before operating charges	3.48	(0.49)	(6.89)
Operating charges	(0.35)	(0.70)	(0.83)
Return after operating charges	3.13	(1.19)	(7.72)
Distributions	(2.62)	(4.91)	(4.63)
Closing NAV	83.66	83.15	89.25
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.83	0.83	0.83
Return after charges	+3.76	-1.33	-7.60
Other information			
Closing NAV (£'000)	16,228	16,109	16,194
Number of shares	19,397,628	19,372,628	18,142,964
Highest share price (UK p)	84.32	89.26	103.09
Lowest share price (UK p)	80.79	79.91	87.79

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	137.55	139.30	151.23
Return before operating charges	5.83	(0.62)	(10.68)
Operating charges	(0.58)	(1.13)	(1.25)
Return after operating charges	5.25	(1.75)	(11.93)
Distributions	(3.80)	(6.74)	(5.79)
Retained distributions	3.80	6.74	5.79
Closing NAV	142.80	137.55	139.30
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.83	0.83	0.83
Return after charges	+3.82	-1.26	-7.89
Other information			
Closing NAV (£'000)	15,135	15,210	16,387
Number of shares	10,598,498	11,057,279	11,763,586
Highest share price (UK p)	142.80	140.73	154.89
Lowest share price (UK p)	136.43	127.23	136.42

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		11,300		(66,005)
Revenue	40,392		32,420	
Expenses	(4,609)		(4,421)	
Interest payable and similar charges	(10)		(9)	
Net revenue/(expense) before taxation	35,773		27,990	
Taxation	(4)		(17)	
Net revenue/(expense) after taxation		35,769		27,973
Total return before distributions		47,069		(38,032)
Distributions		(37,359)		(29,684)
Change in net assets attributable to shareholders from investment activities		9,710		(67,716)

Statement of change in net assets attributable to shareholders

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,304,937		1,111,073
Amounts received on issue of shares	19,631		160,559	
Amounts paid on cancellation of shares	(114,425)		(70,215)	
		(94,794)		90,344
Dilution adjustments		406		754
Change in net assets attributable to shareholders from investment activities (see above)		9,710		(67,716)
Retained distributions on Accumulation shares		25,848		19,015
Unclaimed distributions		16		9
Closing net assets attributable to shareholders		1,246,123		1,153,479

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

Financial statements and notes

Financial statements

Balance sheet

as at	30 November 2023 £'000	31 May 2023 £'000
Assets		
Fixed assets		
Investments	1,178,391	1,166,817
Current assets		
Debtors	21,023	725,201
Cash and bank balances	9,487	17,329
Cash equivalents	46,544	116,125
Total assets	1,255,445	2,025,472
Liabilities		
Investment liabilities	(389)	(5,570)
Creditors		
Distribution payable	(3,816)	(2,128)
Other creditors	(5,117)	(712,837)
Total liabilities	(9,322)	(720,535)
Net assets attributable to shareholders	1,246,123	1,304,937

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 March 2023 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the FTSE Actuaries UK Index-Linked Gilts All Stocks Index over any five-year period.

Investment policy

At least 70% of the fund is invested, directly or indirectly, in inflation-linked debt securities issued or guaranteed by the UK government, and denominated in sterling.

The fund's indirect exposure to inflation-linked debt securities is achieved by investing through a combination of instruments. These include the combination of government bonds or corporate bonds with credit derivatives, such as credit default swaps.

Other investment may include:

- debt securities issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies or corporate debt instruments denominated in any currency; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

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

Investment approach

The fund is diversified across a range of inflation-linked debt securities from a variety of sectors. The fund's investment approach is based on the principle that returns from bond markets are driven by a combination of macroeconomic factors such as expectations on interest rates, inflation and economic growth. As different factors dominate returns at different stages of the economic cycle, the manager applies a flexible investment approach, adjusting the portfolio's duration as deemed appropriate.

The fund manager seeks to take advantage of 'relative value' opportunities within the inflation-linked bond market, which involves buying the inflation-linked bonds that offer the best value.

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

Benchmark

Benchmark: FTSE Actuaries UK Index-Linked Gilts All Stocks Index.

The benchmark is a target which the fund seeks to outperform.

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

The fund is actively managed.

The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

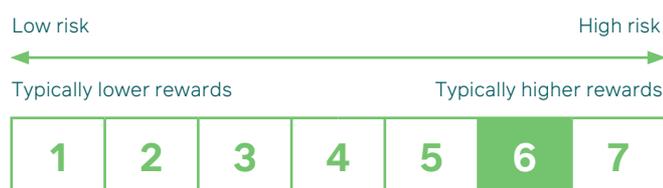
For unhedged share classes, the benchmark is shown in the share class currency.

Authorised Corporate Director's Report

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 November 2023

Performance against objective

Between 1 June 2023 (the start of the review period) and 30 November 2023, the M&G Index-Linked Bond Fund's Sterling Class 'A' and 'I' shares delivered a total return (the combination of income and growth of capital) of 1.2% and 1.4%, respectively. This compares with the return of 0.4% from the fund's benchmark, the FTSE Actuaries UK Index-Linked Gilts All Stocks Index, over the same period.

Over five years, the fund was in line or slightly ahead of the benchmark. The fund's Sterling Class 'A' shares returned -4.5% pa and the Class 'I' shares returned -4.3% pa, while the benchmark returned -4.5% pa over this period. The fund has not achieved its objective across all its share classes.

Performance review

Both UK government bonds (also known as gilts) and index-linked government bonds delivered positive returns in the six months to the end of November 2023. Index-linked bonds refer to bonds where the value of the loan and the interest payments are adjusted in line with inflation over the life of the security.

Investors' concern over above-target inflation levels and subsequent interest rate hikes continued to feature prominently over the six months under review, which weighed on prices for conventional gilt and index-linked gilts at times. However, prices for these assets tended to rise when interest rate hikes appeared less likely.

For much of the recent past, central banks have been focused on the balance between seeking to contain high inflation without choking off economic activity. The UK has so far avoided a recession although economic activity remains modest as higher borrowing costs and a cost-of-living crisis put pressure on businesses and consumers.

The US Federal Reserve (Fed) paused its run of interest rate hikes in June although it signalled that further increases could follow as it sought to control inflation. In the UK, inflation continued to surprise on the upside and the Bank of England (BoE) effected a higher-than-expected hike to interest rates.

The summer saw central banks overall continue their hiking cycles. In the UK, although inflation continued to decline, investors remained wary of the risk of further rate increases. The BoE duly hiked again in early August, taking rates to 5.25%.

As the summer progressed, central bank rhetoric relating to interest rates was 'higher for longer' and key central bank figures on both sides of the Atlantic were keen to convey the message that rate cuts would not be coming soon. In September, the BoE and the Fed both paused and maintained their interest rates at current levels, with the UK ending a run of 14 successive hikes.

October was marked by concerns over geopolitical risk following the outbreak of conflict in the Middle East and fears that it may spread into the wider region,

Authorised Corporate Director's Report

prompting a 'risk-off' sentiment in financial markets. Index-linked gilt yields gained, and prices fell, after employment data was a little weaker than had been expected.

November saw a major rally in financial markets as investors seized on evidence that inflation was slowing, particularly in the US but also in Europe and the UK, and this raised hopes that interest rates may have peaked. Data showing that the US economy was slowing but not collapsing added to the belief that the US may avoid recession. Index-linked gilt prices rose strongly in response.

In other data, the UK economy fell sharply in July 2023 but returned to growth in August with a small gain. However, in the three months to September the economy failed to grow, compared with the previous three-month period, and the BoE expects the UK economy to remain flat until 2025.

Investment activities

Throughout the period under review, we maintained an overweight position in 20-25 year government bonds, which we continue to feel is inexpensive, compared with shorter and longer dated bonds.

In September, we sold an overweight position in the CPI-linked Cambridge bond as we felt better opportunities lay elsewhere. The security has added a small positive contribution to performance since purchase.

We expect the structural trend of increased supply to push interest rates higher in longer-dated bonds. As a result, we sold longer-dated bonds into shorter-dated bonds.

Outlook

Inflation continues to move lower in the UK and globally and expectations are growing for interest rate cuts in 2024, despite the mixed messages from central bankers. We remain cautious at this point and have concerns over the added compensation that investors are expecting for the unknowns associated with holding longer-term debt.

Miles Tym

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 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income	91,460	99.59	99.68
Debt securities	91,460	99.59	99.68
'AA' credit rated bonds	91,460	99.59	99.68
£820,000 Network Rail Infrastructure Finance IL 1.9618% 01/12/2025	1,627	1.77	
£1,488,100 UK Treasury IL 0.125% 22/03/2024	2,298	2.50	
£7,369,625 UK Treasury IL 0.125% 10/08/2028	9,852	10.73	
£8,531,031 UK Treasury IL 0.125% 22/03/2039	9,543	10.39	
£6,673,145 UK Treasury IL 0.125% 22/03/2044	8,339	9.08	
£6,606,661 UK Treasury IL 0.125% 22/03/2046	7,538	8.21	
£3,747,711 UK Treasury IL 0.125% 10/08/2048	3,890	4.23	
£2,124,058 UK Treasury IL 0.125% 22/03/2068	2,111	2.30	
£1,160,250 UK Treasury IL 0.375% 22/03/2062	1,385	1.51	
£2,020,234 UK Treasury IL 0.5% 22/03/2050	2,945	3.21	
£9,158,524 UK Treasury IL 0.625% 22/03/2045	8,473	9.23	
£8,604,784 UK Treasury IL 0.75% 22/11/2047	13,948	15.19	
£9,700,125 UK Treasury IL 1.25% 22/11/2027	19,511	21.24	
Total portfolio	91,460	99.59	99.68
Net other assets/(liabilities)	378	0.41	0.32
Net assets attributable to shareholders	91,838	100.00	100.00

Portfolio statement

Top portfolio transactions for the six months to 30 November 2023

Purchases	£'000
UK Treasury IL 0.125% 22/03/2044	13,112
UK Treasury IL 0.125% 10/08/2028	11,525
UK Treasury IL 0.125% 22/03/2039	9,592
UK Treasury IL 0.25% 22/03/2052	5,598
UK Treasury IL 1.25% 22/11/2027	4,118
UK Treasury IL 0.125% 22/03/2068	2,238
UK Treasury IL 0.375% 22/03/2062	1,473
UK Treasury IL 0.125% 22/03/2058	515
Total purchases	48,171

Largest sales	£'000
UK Treasury IL 0.125% 22/03/2039	11,971
UK Treasury IL 1.25% 22/11/2027	9,913
UK Treasury IL 0.125% 22/03/2024	6,839
UK Treasury IL 0.125% 10/08/2048	6,202
UK Treasury IL 0.25% 22/03/2052	5,914
UK Treasury IL 0.125% 22/03/2044	4,139
UK Treasury IL 0.625% 22/03/2045	3,825
UK Treasury IL 1.125% 22/11/2037	2,688
UK Treasury IL 0.75% 22/11/2047	2,373
UK Treasury IL 0.125% 22/03/2068	2,110
Other sales	7,634
Total sales	63,608

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+1.2	-12.4	-4.5	+1.2
Class 'A' Accumulation	+1.2	-12.4	-4.5	+1.2
Class 'I' Income	+1.4	-12.2	-4.3	+1.4
Class 'I' Accumulation	+1.4	-12.2	-4.3	+1.4
Class 'PP' Income	+1.4	n/a	n/a	n/a
Class 'PP' Accumulation	+1.4	n/a	n/a	n/a
Benchmark	+0.4	-13.0	-4.5	+1.3

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 4 October 1999.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	107.92	146.19	159.26
Return before operating charges	1.89	(37.60)	(12.15)
Operating charges	(0.30)	(0.67)	(0.92)
Return after operating charges	1.59	(38.27)	(13.07)
Distributions	(0.10)	0.00	0.00
Closing NAV	109.41	107.92	146.19
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.55	0.55	0.55
Return after charges	+1.47	-26.18	-8.21
Other information			
Closing NAV (£'000)	4,817	6,554	10,233
Number of shares	4,402,580	6,073,594	6,999,534
Highest share price (UK p)	112.61	146.01	183.49
Lowest share price (UK p)	101.85	92.63	144.83

Sterling Class 'A' Accumulation share performance

The share class was launched on 4 October 1999.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	123.97	167.95	182.94
Return before operating charges	2.17	(43.21)	(13.93)
Operating charges	(0.34)	(0.77)	(1.06)
Return after operating charges	1.83	(43.98)	(14.99)
Distributions	0.00	0.00	0.00
Retained distributions	0.00	0.00	0.00
Closing NAV	125.80	123.97	167.95
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.55	0.55	0.55
Return after charges	+1.48	-26.19	-8.19
Other information			
Closing NAV (£'000)	12,583	15,451	25,961
Number of shares	10,002,402	12,462,953	15,458,069
Highest share price (UK p)	129.37	167.73	210.79
Lowest share price (UK p)	117.00	106.42	166.39

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	1,169.95	1,580.15	1,716.03
Return before operating charges	20.49	(406.91)	(131.35)
Operating charges	(1.46)	(3.29)	(4.53)
Return after operating charges	19.03	(410.20)	(135.88)
Distributions	(1.03)	0.00	0.00
Closing NAV	1,187.95	1,169.95	1,580.15
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.25	0.25	0.25
Return after charges	+1.63	-25.96	-7.92
Other information			
Closing NAV (£'000)	14,265	13,879	23,822
Number of shares	1,200,804	1,186,249	1,507,595
Highest share price (UK p)	1,221.37	1,578.96	1,980.44
Lowest share price (UK p)	1,105.45	1,002.34	1,565.20

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	1,171.48	1,582.22	1,718.27
Return before operating charges	20.53	(407.45)	(131.51)
Operating charges	(1.47)	(3.29)	(4.54)
Return after operating charges	19.06	(410.74)	(136.05)
Distributions	0.00	0.00	0.00
Retained distributions	0.00	0.00	0.00
Closing NAV	1,190.54	1,171.48	1,582.22
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.25	0.25	0.25
Return after charges	+1.63	-25.96	-7.92
Other information			
Closing NAV (£'000)	56,481	66,591	94,746
Number of shares	4,744,125	5,684,299	5,988,162
Highest share price (UK p)	1,222.97	1,581.03	1,983.04
Lowest share price (UK p)	1,106.90	1,003.65	1,567.24

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 21 April 2022.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Period to 31.05.22 UK p
Opening NAV	70.56	95.20	100.00
Return before operating charges	1.22	(24.52)	(4.78)
Operating charges	(0.05)	(0.12)	(0.02)
Return after operating charges	1.17	(24.64)	(4.80)
Distributions	(0.06)	0.00	0.00
Closing NAV	71.67	70.56	95.20
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.15	0.15	0.15
Return after charges	+1.66	-25.88	-4.80
Other information			
Closing NAV (£'000)	113	14	19
Number of shares	158,010	20,010	20,010
Highest share price (UK p)	73.67	95.14	102.17
Lowest share price (UK p)	66.69	60.41	94.29

Sterling Class 'PP' Accumulation share performance

The share class was launched on 21 April 2022.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Period to 31.05.22 UK p
Opening NAV	70.56	95.20	100.00
Return before operating charges	1.23	(24.53)	(4.78)
Operating charges	(0.05)	(0.11)	(0.02)
Return after operating charges	1.18	(24.64)	(4.80)
Distributions	(0.01)	0.00	0.00
Retained distributions	0.01	0.00	0.00
Closing NAV	71.74	70.56	95.20
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.15	0.15	0.15
Return after charges	+1.67	-25.88	-4.80
Other information			
Closing NAV (£'000)	3,579	3,436	19
Number of shares	4,988,067	4,870,067	20,000
Highest share price (UK p)	73.67	95.14	102.17
Lowest share price (UK p)	66.70	60.41	94.29

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		1,034		(32,843)
Revenue	609		6,625	
Expenses	(145)		(203)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	464		6,422	
Taxation	0		0	
Net revenue/(expense) after taxation		464		6,422
Total return before distributions		1,498		(26,421)
Distributions		(15)		86
Change in net assets attributable to shareholders from investment activities		1,483		(26,335)

Statement of change in net assets attributable to shareholders

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		105,925		154,800
Amounts received on issue of shares	5,499		2,739	
Amounts paid on cancellation of shares	(21,095)		(17,212)	
		(15,596)		(14,473)
Dilution adjustments		26		30
Change in net assets attributable to shareholders from investment activities (see above)		1,483		(26,335)
Closing net assets attributable to shareholders		91,838		114,022

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

Financial statements and notes

Financial statements

Balance sheet

as at	30 November 2023 £'000	31 May 2023 £'000
Assets		
Fixed assets		
Investments	91,460	105,583
Current assets		
Debtors	55	66
Cash and bank balances	84	130
Cash equivalents	269	160
Total assets	91,868	105,939
Liabilities		
Creditors		
Distribution payable	(17)	(0)
Other creditors	(13)	(14)
Total liabilities	(30)	(14)
Net assets attributable to shareholders	91,838	105,925

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

To contribute to the preservation of the share value in real terms, the amount available for distribution has been calculated to disregard the change in the Retail Prices Index during the accounting period in respect of interest from index-linked gilt-edged securities.

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 6 March 2023 has been used.

Investment objective

The fund aims to track the performance of the FTSE All-Share Index, gross of the ongoing charge figure (OCF). The return received by shareholders will be reduced by the effects of charges.

Investment policy

The fund aims to be invested in the constituents of the Index. The fund typically invests directly.

The fund may also invest in other transferable securities, cash and near cash for liquidity purposes, directly and via collective investment schemes (including funds managed by M&G).

The fund may hold other transferable securities and other financial instruments where these are held as a consequence of having invested in an Index constituent. The fund can invest in securities joining or likely to join the index.

The fund may use derivatives for efficient portfolio management and hedging only.

Investment approach

The fund is designed to track the FTSE All-Share Index. The Index represents the performance of small, medium and large companies listed on the London Stock Exchange's main market.

The fund uses a stratified sampling method to track the Index and therefore may not hold all the Index constituents.

The fund will normally hold all of the largest securities in the Index, as well as a selection of the remaining smaller securities to ensure that the fund's capitalisation, sector and industry weights are in line with the Index weightings.

Using a stratified sampling method may affect the fund's ability to track the Index. There are many factors

which do not affect the Index, but do impact on the fund's performance, such as transaction costs, expenses and illiquidity of any security. Cash flows, including income and distributions, into and out of the fund may also have an impact on performance as the fund rebalances, due to the dealing spreads and broker commission incurred. In addition, the Index constituents are not fixed, it rebalances quarterly, and it may take time for the fund to reflect any changes.

The tracking method (combining the stratified sampling technique and the use of derivatives when required for short term efficient portfolio management purposes) does not introduce any counterparty risk.

The tracking error between the performance of the fund (gross of OCF) and that of the Index is anticipated to be up to 0.3% per annum under normal circumstances.

Benchmark

Benchmark: FTSE All-Share Index.

The fund is passively managed. The Index is used as a target benchmark as the fund aims to track the returns of the Index gross of the ongoing charge figure.

Although the fund's holdings will be predominantly or entirely comprised of benchmark constituents, the weights held in the fund may deviate from the weights of the benchmark's constituents.

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

Additional Information

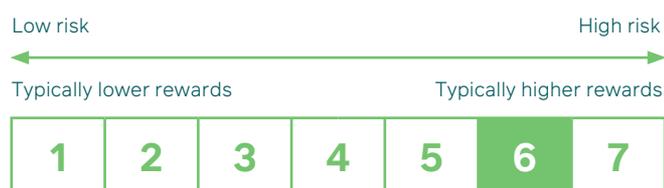
Index Information: The FTSE All-Share Index (the "Index") is a float-adjusted, market capitalisation weighted index comprising the performance of the FTSE 100, FTSE 250 and FTSE Small Cap Indices. The Index currently covers approximately 600 constituents.

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 November 2023

Performance against objective

The M&G Index Tracker Fund is designed to track the FTSE All-Share Index. Between 1 June 2023 (the start of the review period) and 30 November 2023, the fund's Sterling Class 'A' and Class 'C' shares produced a total return (the combination of income and growth of capital) of 0.2% and 0.4%, respectively in sterling terms. The fund's benchmark, the FTSE All-Share Index, produced a total return of 1.6% over the same period.

Performance review

There are several factors that can result in the fund underperforming or outperforming the benchmark index over specific periods. The majority of the fund's apparent underperformance was due to price swings and timing.

Price swings – This is a dilution adjustment within the share price, which aims to protect existing shareholders

from a dilution in performance resulting from deals placed to buy or sell shares. This pricing method has the effect of moving the single price up or down from the mid-price.

Timing – This reflects the fact that the fund is priced at midday while the index is priced at close of business day.

Fund charges – The fees we charge for managing the fund, as well as the costs incurred when we buy and sell underlying investments, will mean the fund's return after charges is below that of the index (which does not reflect the costs of investing).

Tracking difference – This refers to the difference in performance, positive or negative, due to the fund not fully replicating the composition of the index.

As the fund tracks the index, its overall performance can largely be explained by market developments during the period under review. It is worth noting that, in the global economy, the fates of individual markets are often closely connected to each other. As a result, the performance and prospects of the UK stockmarket tend to be affected by developments around the world.

Investors' concern over above-target inflation levels and subsequent interest rate hikes continued to feature prominently over the six months under review. Some encouraging news regarding inflation was welcomed by investors at times. The UK stockmarket made modest advances over the six-month period.

Consumer Prices Inflation (CPI) reached a high of 11.1% in October 2022 and proved particularly stubborn till spring 2023 when a falling trend became apparent. Despite falling inflation, expectations of further interest rate hikes weighed on investor sentiment in early summer, but an unforeseen drop in domestic inflation led to UK stockmarket gains in July. While the US and UK have left interest rates unchanged of late, the US Federal Reserve and the Bank of England (BoE) have both indicated that they will need to be 'high for longer'. Interest rates stood at 5.25% at the end of the period, while inflation had slowed to 4.6%.

Authorised Corporate Director's Report

For much of the recent past, central banks have been focused on the balance between seeking to contain high inflation without choking off economic activity. The UK has so far avoided a recession although economic activity remains modest as higher borrowing costs and a cost-of-living crisis put pressure on businesses and consumers. The UK economy fell sharply in July 2023 but returned to growth in August with a small gain. However, in the three months to September the economy failed to grow, compared to the previous three-month period, and the BoE expects the UK economy to remain flat until 2025.

On the world events stage, October saw the outbreak of violent conflict in the Middle East, leading to much suffering and a dreadful loss of life and greatly increasing geopolitical tension in the region and uncertainty further afield.

Global stockmarkets rallied strongly in the final month of the period as investors became more confident that the US Federal Reserve and other central banks may have finished their series of interest rate hikes, due to lower inflation levels.

The strongest performing sectors over the period included technology stocks, given their sensitivity to prospects for interest rates, while energy stocks were supported by ongoing high prices. In contrast, healthcare and consumer goods lagged the broader market.

Investment activities

We had a large inflow of cash into the fund as a result of the closure of the M&G European Index Tracker Fund at the end of June 2023. Accordingly, we increased all of the largest holdings in the fund, such as pharmaceutical firm AstraZeneca, to reflect this and bring the fund in line with the benchmark.

We made some purchases to reflect changes made in the index's quarterly balancing reviews. For example, we added to the holding in London Stock Exchange to reflect a higher weighting in the index.

In other purchases, we increased the position in consumer goods company Unilever as part of a rebalancing of the portfolio.

Turning to sales, building material company CRH left the index during the period and we disposed of the holding. We also sold the position in Ediston Property Investment, which was deleted from the index.

We reduced the position in oil and gas company BP to reflect changes made in the index's quarterly balancing reviews. Separately, we increased the position in the stock to reflect portfolio rebalancing.

Outlook

The UK has so far avoided a recession although economic activity remains lacklustre. The BoE has indicated that interest rates are likely to remain high for the near term at least, which is likely to weigh on consumer expenditure and business investment, leading to a generally weaker outlook. Nevertheless, UK stockmarkets offer a relatively cheap valuation, compared to many stockmarkets, in our view.

Richard O'Connor

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 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities	534,600	98.80	98.61
Software & computer services	7,222	1.33	1.10
107,816 Ascential	298	0.06	
25,035 Auction Technology	128	0.02	
218,645 Auto Trader	1,574	0.29	
25,000 Baltic Classifieds	54	0.01	
59,361 Bytes Technology	326	0.06	
20,211 Computacenter	548	0.10	
100,147 Darktrace	350	0.07	
22,075 Kainos	214	0.04	
126,220 Moneysupermarket.com	348	0.06	
86,159 NCC	106	0.02	
245,230 Sage	2,775	0.51	
31,236 Softcat	398	0.07	
78,086 Trustpilot	103	0.02	
Technology hardware & equipment	94	0.02	0.02
62,604 TT Electronics	94	0.02	
Telecommunications equipment	194	0.04	0.05
168,891 Spirent Communications	194	0.04	
Telecommunication service providers	6,174	1.14	1.34
249,205 Airtel Africa	276	0.05	
1,493,669 BT	1,836	0.34	
183,242 Helios Towers	131	0.02	
14,118 Telecom Plus	220	0.04	
5,209,405 Vodafone	3,711	0.69	
Health care providers	230	0.04	0.04
19,068 NMC Health ^a	0	0.00	
101,992 Spire Healthcare	230	0.04	
Medical equipment & services	2,950	0.55	0.58
392,603 ConvaTec	882	0.17	
202,263 Smith & Nephew	2,068	0.38	
Pharmaceuticals & biotechnology	55,533	10.26	10.91
352,142 AstraZeneca	35,207	6.51	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Pharmaceuticals & biotechnology (continued)			
28,212 Dechra Pharmaceuticals	1,079	0.20	
15,281 Genus	302	0.06	
959,495 GSK	13,596	2.51	
1,278,442 Haleon	4,230	0.78	
38,893 Hikma Pharmaceuticals	667	0.12	
33,058 Indivior	426	0.08	
15,654 Oxford Biomedica	26	0.00	
Banks	48,667	8.99	9.12
10,258 Bank of Georgia	354	0.07	
3,725,775 Barclays	5,262	0.97	
36,934 Close Brothers	288	0.05	
4,708,052 HSBC	28,277	5.23	
155,315 Investec	802	0.15	
15,289,127 Lloyds Banking	6,638	1.23	
36,424 Metro Bank	14	0.00	
1,281,762 NatWest	2,672	0.49	
550,991 Standard Chartered	3,575	0.66	
12,364 TBC Bank	344	0.06	
307,738 Virgin Money	441	0.08	
Finance & credit services	10,505	1.94	1.72
64,601 International Personal Finance	76	0.01	
108,284 London Stock Exchange	9,648	1.78	
93,418 OSB	351	0.07	
75,012 Paragon Banking	361	0.07	
60,515 Provident Financial	69	0.01	
Investment banking & brokerage services	14,594	2.70	2.71
225,093 3i	4,984	0.92	
514,600 abrdn	842	0.15	
75,046 AJ Bell	194	0.04	
110,447 Ashmore	196	0.04	
10,204 Bioscience Investment Trust ^a	0	0.00	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Investment banking & brokerage services (continued)			
60,546 Bridgepoint	141	0.03	
12,000 City of London Investment	37	0.01	
87,666 Hargreaves Lansdown	626	0.11	
93,401 IG	634	0.12	
63,459 IntegraFin	163	0.03	
70,913 Intermediate Capital	1,112	0.20	
272,017 IP	142	0.03	
29,940 JTC	223	0.04	
106,841 Jupiter Fund Management	88	0.02	
13,768 Liontrust Asset Management	76	0.01	
519,043 M&G ^b	1,093	0.20	
338,148 Man	716	0.13	
35,056 Molten Ventures	92	0.02	
102,131 Ninety One	176	0.03	
68,142 Petershill Partners	97	0.02	
22,590 Plus500	329	0.06	
62,144 PureTech Health	96	0.02	
353,351 Quilter	334	0.06	
13,327 Rathbone Brothers	213	0.04	
205,908 Schroders	827	0.15	
122,326 St. James's Place	791	0.15	
199,443 TP ICAP	372	0.07	
Closed-ended investments	34,165	6.31	6.15
147,847 3i Infrastructure	481	0.09	
24,111 Aberforth Smaller Companies Trust	312	0.06	
33,205 abrdn Asia Focus	85	0.02	
50,708 abrdn Asian Income Fund	98	0.02	
121,315 abrdn Diversified Income and Growth Trust	94	0.02	
13,252 abrdn Equity Income Trust	39	0.01	
90,765 abrdn European Logistics Income	55	0.01	
12,063 abrdn New India Investment Trust	72	0.01	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Closed-ended investments (continued)			
19,334 abrdn Private Equity Opportunities Trust	85	0.02	
23,040 abrdn UK Smaller Companies Growth Trust	95	0.02	
74,315 Alliance Trust	779	0.14	
100,328 Allianz Technology Trust	284	0.05	
100,390 Apax Global Alpha	152	0.03	
11,508 Artemis Alpha Trust	33	0.01	
54,695 Ashoka India Equity Investment Trust	127	0.02	
46,362 Asia Dragon Trust	162	0.03	
141,991 Avi Global Trust	290	0.05	
16,577 Baillie Gifford China Growth Trust	34	0.01	
129,931 Baillie Gifford European Growth Trust	111	0.02	
22,585 Baillie Gifford Japan Trust	152	0.03	
86,501 Baillie Gifford Shin Nippon	108	0.02	
32,722 Baillie Gifford UK Growth Trust	50	0.01	
61,762 Baillie Gifford US Growth Trust	100	0.02	
315,196 Bankers Investment Trust	312	0.06	
182,408 BBGI Global Infrastructure	243	0.04	
136,534 Bellevue Healthcare Trust	173	0.03	
93,488 BH Macro	332	0.06	
18,446 Biotech Growth Trust	137	0.03	
60,049 BlackRock Frontiers Investment Trust	83	0.02	
19,212 BlackRock Greater Europe Investment Trust	101	0.02	
9,332 BlackRock Latin American Investment Trust	37	0.01	
11,171 BlackRock Smaller Companies Trust	147	0.03	
20,566 BlackRock Throgmorton Trust	119	0.02	
45,781 BlackRock World Mining Trust	251	0.05	
146,427 Bluefield Solar Income Fund	168	0.03	
4,595 Brown Advisory US Smaller Companies	54	0.01	
8,088 Brunner Investment Trust	86	0.02	
9,947 Caledonia Investments	352	0.06	
5,959 Capital Gearing Trust	268	0.05	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Closed-ended investments (continued)			
127,813 Chrysalis Investments	87	0.02	
117,311 City of London Investment Trust	463	0.09	
28,011 CT Private Equity Trust	128	0.02	
22,404 CT UK Capital & Income Investment Trust	64	0.01	
208,935 Digital 9 Infrastructure	66	0.01	
73,446 Diverse Income Trust	58	0.01	
37,376 Dunedin Income Growth Investment Trust	101	0.02	
54,200 Ecofin Global Utilities and Infrastructure Trust	89	0.02	
46,674 Edinburgh Investment Trust	309	0.06	
93,590 Edinburgh Worldwide Investment Trust	130	0.02	
12,707 Electric & General Investment Trust ^a	0	0.00	
25,576 European Opportunities Trust	214	0.04	
104,000 European Smaller Companies	157	0.03	
127,767 F&C Investment Trust	1,133	0.21	
16,301 Fidelity Asian Values	80	0.01	
104,973 Fidelity China Special Situations	223	0.04	
21,433 Fidelity Emerging Markets	128	0.02	
110,032 Fidelity European Trust	379	0.07	
67,039 Fidelity Special Values	179	0.03	
49,005 Finsbury Growth & Income Trust	400	0.07	
207,020 Foresight Solar Fund	200	0.04	
5,916 Fundsmith Emerging Equities Trust	4	0.00	
217,999 GCP Infrastructure	146	0.03	
11,497 Global Opportunities Trust	35	0.01	
110,027 Gore Street Energy Storage Fund	93	0.02	
561,708 Greencoat UK Wind	808	0.15	
18,931 HarbourVest Global Private Equity	438	0.08	
12,144 Henderson Alternative Strategies ^a	0	0.00	
97,900 Henderson Diversified Income Trust	65	0.01	
74,005 Henderson European Focus Trust	121	0.02	
44,229 Henderson EuroTrust	60	0.01	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Closed-ended investments (continued)			
31,505 Henderson Far East Income	65	0.01	
28,474 Henderson High Income Trust	43	0.01	
21,406 Henderson Smaller Companies Investment Trust	156	0.03	
15,079 Herald Investment Trust	272	0.05	
106,198 HgCapital Trust	430	0.08	
492,230 HICL Infrastructure	666	0.12	
284,682 Hipgnosis Songs Fund	189	0.03	
19,583 ICG Enterprise Trust	239	0.04	
69,475 Impax Environmental Markets	250	0.05	
13,967 International Biotechnology Trust	80	0.01	
473,252 International Public Partnerships	610	0.11	
15,383 Invesco Asia Trust	48	0.01	
49,586 Invesco Bond Income Plus	81	0.01	
15,845 Invesco Select Trust	25	0.00	
134,173 JLEN Environmental Assets	129	0.02	
50,728 JPMorgan American Investment Trust	412	0.08	
25,605 JPMorgan Asia Growth & Income	86	0.02	
19,626 JPMorgan China Growth & Income	47	0.01	
14,812 JPMorgan Claverhouse Investment Trust	97	0.02	
324,101 JPMorgan Emerging Markets Investment Trust	334	0.06	
43,228 JPMorgan European Discovery Trust	171	0.03	
125,364 JPMorgan European Growth & Income	118	0.02	
72,655 JPMorgan Global Emerging Markets Income Trust	89	0.02	
93,130 JPMorgan Global Growth & Income	449	0.08	
23,905 JPMorgan Indian Investment Trust	205	0.04	
9,427 JPMorgan Japan Small Cap Growth & Income	28	0.00	
38,801 JPMorgan Japanese Investment Trust	185	0.03	
6,032 JPMorgan Mid Cap Investment Trust	53	0.01	
27,218 JPMorgan UK Smaller Companies Investment Trust	72	0.01	
22,035 Keystone Positive Change Investment Trust	46	0.01	
29,552 Law Debenture	232	0.04	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Closed-ended investments (continued)			
99,312 Lowland Investment	114	0.02	
6,893 Majedie Investments	15	0.00	
31,439 Martin Currie Global Portfolio Trust	103	0.02	
186,470 Mercantile Investment Trust	385	0.07	
31,241 Merchants Trust	165	0.03	
31,326 Mid Wynd International Investment Trust	223	0.04	
44,162 Middlefield Canadian Income Trust	42	0.01	
58,534 Monks Investment Trust	584	0.11	
45,360 Montanaro UK Smaller Companies Investment Trust	43	0.01	
33,791 Murray Income Trust	277	0.05	
153,443 Murray International Trust	374	0.07	
14,770 NB Global Monthly Income	10	0.00	
10,564 NB Private Equity Partners	174	0.03	
162,820 NextEnergy Solar Fund	141	0.03	
44,412 North American Income Trust	117	0.02	
3,033 North Atlantic Smaller Companies Investment Trust	115	0.02	
126,729 Octopus Renewables Infrastructure Trust	116	0.02	
29,616 Pacific Assets Trust	108	0.02	
23,668 Pacific Horizon Investment Trust	125	0.02	
140,421 Pantheon International	413	0.08	
37,137 Pershing Square	1,166	0.22	
90,722 Personal Assets Trust	421	0.08	
79,445 Polar Capital Global Financials Trust	110	0.02	
24,706 Polar Capital Global Healthcare Trust	75	0.01	
33,608 Polar Capital Technology Trust	812	0.15	
585,720 Renewables Infrastructure	640	0.12	
30,658 RIT Capital Partners	548	0.10	
13,110 Riverstone Energy	98	0.02	
89,598 Ruffer Investment Company (Preference shares)	239	0.04	
37,895 Schroder Asia Pacific Fund	182	0.03	
23,198 Schroder Asian Total Return Investment	95	0.02	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Closed-ended investments (continued)			
18,810 Schroder Income Growth Fund	52	0.01	
32,320 Schroder Japan Growth Fund	73	0.01	
60,681 Schroder Oriental Income Fund	144	0.03	
7,670 Schroder UK Mid Cap Fund	41	0.01	
193,141 Schroders Capital Global Innovation Trust	29	0.01	
42,129 Scottish American Investment	213	0.04	
334,551 Scottish Mortgage Investment Trust	2,423	0.45	
9,130 Scottish Oriental Smaller Companies Trust	113	0.02	
266,854 SDCL Energy Efficiency Income Trust	165	0.03	
20,541 Securities Trust of Scotland	44	0.01	
404,829 Sequoia Economic Infrastructure Income Fund	335	0.06	
39,704 Smithson Investment Trust	515	0.09	
111,755 Syncona	142	0.03	
50,000 Taylor Maritime Investments	32	0.01	
71,297 Temple Bar Investment Trust	164	0.03	
281,639 Templeton Emerging Markets Investment Trust	417	0.08	
184,733 The Global Smaller Companies Trust	259	0.05	
75,556 TR Property Investment Trust	232	0.04	
45,234 Troy Income & Growth Trust	30	0.01	
166,494 TwentyFour Income Fund	166	0.03	
5,282 Unbound ^c	0	0.00	
58,260 Utilico Emerging Markets Trust	125	0.02	
17,183 Value and Indexed Propertyome Trust	33	0.01	
53,908 Vietnam Enterprise Investments	289	0.05	
60,669 VinaCapital Vietnam Opportunity Fund	276	0.05	
203,619 Witan Investment Trust	461	0.08	
148,508 Worldwide Healthcare Trust	436	0.08	
Life insurance	12,671	2.34	2.55
672,735 Aviva	2,813	0.52	
39,560 Chesnara	103	0.02	
227,417 Just	185	0.03	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Life insurance (continued)			
1,391,209 Legal & General	3,184	0.59	
173,370 Phoenix	804	0.15	
653,455 Prudential	5,582	1.03	
Non-life insurance	4,610	0.85	0.80
69,557 Admiral	1,891	0.35	
157,045 Beazley	860	0.16	
296,656 Direct Line Insurance	560	0.10	
79,444 Hiscox	812	0.15	
60,371 Lancashire	381	0.07	
74,095 Sabre Insurance	106	0.02	
Real estate investment & services	2,152	0.40	0.39
52,662 CLS	51	0.01	
93,425 Foxtons	40	0.01	
178,446 Grainger	456	0.08	
29,479 Henry Boot	55	0.01	
24,615 LSL Property Services	56	0.01	
25,308 Phoenix Spree Deutschland	39	0.01	
196,126 Rightmove	1,084	0.20	
32,972 Savills	268	0.05	
188,604 Tritax EuroBox	103	0.02	
Real estate investment trusts	11,710	2.16	2.12
93,866 abrdn Property Income Trust	45	0.01	
684,900 Assura	311	0.06	
128,638 Balanced Commercial Property Trust	86	0.02	
43,067 Big Yellow	475	0.09	
228,231 British Land	806	0.15	
424,129 Capital & Counties Properties	512	0.09	
21,084 Capital & Regional	12	0.00	
26,918 Derwent London	576	0.11	
172,549 Empiric Student Property	160	0.03	
69,727 Great Portland Estates	271	0.05	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Real estate investment trusts (continued)			
1,081,297 Hammerson	289	0.05	
30,125 Helical	61	0.01	
180,998 Home ^a	26	0.01	
176,136 Land Securities	1,104	0.20	
281,384 LondonMetric Property	511	0.09	
361,033 LXI	345	0.06	
86,449 NewRiver	72	0.01	
132,308 Picton Property Income	84	0.02	
350,255 Primary Health Properties	350	0.06	
121,403 PRS	94	0.02	
55,725 Safestore	429	0.08	
120,865 Schroder Real Estate Investment Trust	52	0.01	
286,699 Segro	2,350	0.43	
257,660 Sirius Real Estate	226	0.04	
321,929 Supermarket Income	265	0.05	
145,721 Target Healthcare	121	0.02	
461,024 Tritax Big Box	711	0.13	
151,349 UK Commercial Property	88	0.02	
88,061 UNITE	862	0.16	
125,060 Urban Logistics	147	0.03	
93,567 Warehouse	78	0.01	
35,429 Workspace	191	0.04	
Automobiles & parts	568	0.11	0.12
59,040 Aston Martin Lagonda	136	0.03	
335,357 Dowlais	343	0.06	
64,513 TI Fluid Systems	89	0.02	
Consumer services	8,392	1.55	1.66
416,268 Compass	8,392	1.55	
Household goods & home construction	6,300	1.16	1.03
234,560 Barratt Developments	1,200	0.22	
33,047 Bellway	776	0.14	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Household goods & home construction (continued)			
24,332 Berkeley	1,133	0.21	
78,430 Crest Nicholson	146	0.03	
10,012 MJ Gleeson	46	0.01	
74,140 Persimmon	935	0.17	
61,773 Redrow	335	0.06	
846,307 Taylor Wimpey	1,096	0.20	
82,502 Vistry	633	0.12	
Leisure goods	930	0.17	0.15
7,768 Games Workshop	833	0.15	
76,993 ME Group International	97	0.02	
Personal goods	1,826	0.34	0.47
94,351 Burberry	1,369	0.25	
116,558 Dr Martens	98	0.02	
19,443 Superdry	7	0.00	
54,387 Watches of Switzerland	352	0.07	
Media	20,786	3.84	3.35
6,509 4imprint	281	0.05	
12,325 Bloomsbury Publishing	53	0.01	
26,555 Future	237	0.04	
341,662 Informa	2,515	0.46	
856,054 ITV	516	0.10	
180,392 Pearson	1,661	0.31	
60,376 Reach	45	0.01	
448,434 RELX	13,659	2.52	
255,863 WPP	1,819	0.34	
Retailers	9,971	1.84	1.61
67,406 AO World	61	0.01	
4,000 ASOS	16	0.00	
221,422 B&M European Value Retail	1,285	0.24	
85,545 Card Factory	86	0.02	
239,662 Currys	106	0.02	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Retailers (continued)			
53,038 DFS Furniture	56	0.01	
27,721 Dunelm	293	0.05	
30,791 Frasers	276	0.05	
55,839 Halfords	103	0.02	
139,709 Howden Joinery	1,036	0.19	
576,508 JD Sports Fashion	910	0.17	
499,041 Kingfisher	1,093	0.20	
477,734 Marks & Spencer	1,203	0.22	
68,282 Moonpig Group	122	0.02	
29,836 Next	2,367	0.44	
359,076 Pendragon	115	0.02	
114,370 Pets at Home	358	0.07	
34,479 Topps Tiles	16	0.00	
30,491 WH Smith	391	0.07	
59,763 Wickes	78	0.02	
Travel & leisure	16,269	3.01	3.34
89,021 888	63	0.01	
36,350 Carnival	383	0.07	
108,655 Domino's Pizza	409	0.08	
157,175 easyJet	705	0.13	
149,633 Entain	1,177	0.22	
174,923 FirstGroup	282	0.05	
41,797 Flutter Entertainment	5,183	0.96	
10,916 Fuller Smith & Turner	72	0.01	
24,879 Hostelworld	31	0.01	
40,518 InterContinental Hotels	2,494	0.46	
865,916 International Consolidated Airlines	1,327	0.25	
23,235 J D Wetherspoon	161	0.03	
145,563 Marston's	45	0.01	
95,424 Mitchells & Butlers	213	0.04	
123,973 National Express	84	0.02	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Travel & leisure (continued)			
73,254 Playtech	301	0.06	
80,507 Rank	62	0.01	
157,683 Restaurant	102	0.02	
23,187 Saga	26	0.00	
192,306 SSP	405	0.07	
114,090 Trainline	333	0.06	
103,304 TUI	506	0.09	
47,735 Whitbread	1,504	0.28	
21,544 Wizz Air	401	0.07	
Beverages	16,351	3.02	3.55
21,489 A.G. Barr	105	0.02	
59,199 Britvic	495	0.09	
97,839 C&C	131	0.03	
45,329 Coca-Cola HBC	993	0.18	
528,644 Diageo	14,627	2.70	
Food producers	3,514	0.65	0.56
4,261 Anglo-Eastern Plantations	29	0.01	
80,767 Associated British Foods	1,913	0.35	
13,912 Cranswick	543	0.10	
108,960 Greencore	108	0.02	
16,519 Hilton Food	120	0.02	
167,080 Premier Foods	216	0.04	
94,917 Tate & Lyle	585	0.11	
Tobacco	17,356	3.21	3.14
527,535 British American Tobacco	13,302	2.46	
218,750 Imperial Brands	4,054	0.75	
Personal care, drug & grocery stores	39,211	7.25	7.56
24,894 Greggs	618	0.11	
141,991 Ocado	856	0.16	
55,594 PZ Cussons	81	0.02	
170,246 Reckitt Benckiser	9,207	1.70	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Personal care, drug & grocery stores (continued)			
410,478 Sainsbury (J)	1,167	0.22	
1,703,298 Tesco	4,837	0.89	
597,900 Unilever	22,445	4.15	
Construction & materials	2,263	0.42	1.62
159,540 Balfour Beatty	520	0.10	
73,461 Breedon	256	0.05	
28,136 Forterra	43	0.01	
24,525 Galliford Try	55	0.01	
58,379 Genuit	192	0.03	
92,204 Ibstock	124	0.02	
19,308 Keller	163	0.03	
99,014 Kier	107	0.02	
57,421 Marshalls	143	0.03	
9,724 Morgan Sindall	201	0.04	
25,649 Norcros	42	0.01	
14,218 Ricardo	66	0.01	
69,710 Severfield	43	0.01	
47,609 Tyman	129	0.02	
45,482 Volution	179	0.03	
Aerospace & defence	16,082	2.97	2.27
6,821 Avon Protection	54	0.01	
122,624 Babcock International	485	0.09	
728,178 BAE Systems	7,628	1.41	
72,227 Chemring	227	0.04	
335,879 Melrose Industries	1,756	0.33	
131,729 QinetiQ	398	0.07	
1,993,899 Rolls-Royce	5,356	0.99	
104,855 Senior	178	0.03	
Electronic & electrical equipment	5,374	0.99	1.06
21,441 discoverIE	134	0.02	
88,646 Halma	1,888	0.35	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Electronic & electrical equipment (continued)			
63,660 IMI	1,002	0.19	
72,076 Morgan Advanced Materials	186	0.03	
13,214 Oxford Instruments	284	0.05	
8,415 Renishaw	266	0.05	
211,389 Rotork	647	0.12	
27,309 Spectris	921	0.17	
3,750 XP Power	46	0.01	
General industrials	8,273	1.53	1.49
79,401 Bunzl	2,354	0.43	
388,523 Coats	254	0.05	
298,137 DS Smith	861	0.16	
113,679 Mondi	1,590	0.29	
87,801 Smiths	1,440	0.27	
59,984 Smurfit Kappa	1,774	0.33	
Industrial engineering	3,273	0.61	0.63
44,459 Bodycote	256	0.05	
17,106 Spirax-Sarco Engineering	1,581	0.29	
52,352 Vesuvius	225	0.04	
10,386 Videndum	33	0.01	
4,154 Videndum (Subscription Offer)	0	0.00	
62,304 Weir	1,178	0.22	
Industrial support services	18,111	3.35	3.43
403,759 Capita	78	0.01	
85,469 Costain	51	0.01	
24,743 DCC	1,332	0.25	
33,902 De La Rue	23	0.00	
34,067 Diploma	1,155	0.21	
108,897 Electrocomponents	807	0.15	
61,828 Essentra	95	0.02	
217,146 Experian	6,304	1.17	
23,194 FDM	91	0.02	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Industrial support services (continued)			
51,810 Grafton	424	0.08	
361,064 Hays	378	0.07	
89,264 Inchcape	567	0.11	
37,813 Intertek	1,505	0.28	
184,095 IWG	270	0.05	
26,489 Mears	73	0.01	
326,851 Mitie	322	0.06	
111,717 Network International	437	0.08	
73,749 PageGroup	332	0.06	
16,380 PayPoint	79	0.01	
607,262 Rentokil Initial	2,612	0.48	
16,755 Robert Walters	69	0.01	
298,323 Serco	468	0.09	
198,118 SIG	59	0.01	
134,162 Speedy Hire	45	0.01	
30,455 SThree	124	0.02	
53,807 Travis Perkins	411	0.08	
Industrial transportation	5,963	1.10	1.09
103,896 Ashtead	4,964	0.92	
5,842 Clarkson	174	0.03	
208,261 International Distributions Services	507	0.09	
9,975 James Fisher & Sons	29	0.01	
59,321 Redde Northgate	214	0.04	
25,374 Wincanton	75	0.01	
Industrial metals & mining	35,153	6.50	5.94
286,459 Anglo American	6,134	1.13	
85,743 Antofagasta	1,211	0.22	
123,608 Evraz ^a	0	0.00	
69,550 Ferrexpo	54	0.01	
2,961,414 Glencore	13,280	2.46	
19,541 Hill & Smith	363	0.07	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Industrial metals & mining (continued)			
2,710 Kenmare Resources	11	0.00	
259,530 Rio Tinto	14,100	2.61	
Precious metals & mining	1,428	0.26	0.28
270,958 Centamin	261	0.05	
42,959 Endeavour Mining	788	0.14	
49,180 Fresnillo	287	0.05	
84,350 Hochschild Mining	92	0.02	
Chemicals	2,950	0.55	0.63
34,106 Croda International	1,529	0.29	
141,601 Elementis	170	0.03	
42,716 Johnson Matthey	662	0.12	
7,970 RHI Magnesita	221	0.04	
34,076 Synthomer	61	0.01	
20,481 Victrex	307	0.06	
Oil & gas	62,508	11.55	10.34
4,036,964 BP	19,577	3.62	
39,322 Capricorn Energy	59	0.01	
180,460 Diversified Energy	118	0.02	
33,824 Energean	343	0.06	
594,331 EnQuest	81	0.02	
176,736 Harbour Energy	410	0.08	
34,754 Hunting	92	0.02	
160,413 John Wood	227	0.04	
74,304 Petrofac	16	0.00	
57,952 Pharos Energy	12	0.00	
1,598,263 Shell	41,443	7.66	
353,169 Tullow Oil	130	0.02	
Electricity	5,250	0.97	0.99
109,557 Drax	483	0.09	
261,020 SSE	4,767	0.88	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Gas, water & multi-utilities			
1,392,752 Centrica	2,060	0.38	
873,173 National Grid	8,933	1.65	
65,750 Pennon	469	0.09	
65,532 Severn Trent	1,721	0.32	
158,137 United Utilities	1,754	0.32	
Waste & disposal services			
15,006 Renewi	90	0.02	
Equity derivatives			
(137)			
Equity futures contracts			
(137)			
170 FTSE 100 Index Dec 2023	(137)	(0.03)	
Total portfolio	534,463	98.77	98.55
Net other assets/(liabilities)	6,642	1.23	1.45
Net assets attributable to shareholders	541,105	100.00	100.00

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

^a Suspended/delisted.

^b Related party.

^c AIM quoted.

Portfolio statement

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

Largest purchases	£'000
AstraZeneca	1,900
Shell	1,769
HSBC	1,305
Unilever	1,143
London Stock Exchange	1,059
Diageo	782
Rio Tinto	771
GSK	742
BP	738
British American Tobacco	626
Other purchases	17,268
Total purchases	28,103

Largest sales	£'000
CRH	7,617
Shell	1,178
BP	549
HSBC	335
Vodafone	229
Civitas Social Housing	175
Tesco	173
BT	171
Lloyds Banking	150
M&G ^a	134
Other sales	460
Total sales	11,171

^a Related party.

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

Financial highlights

Fund performance

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

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

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

Index tracking

The tracking difference between the fund's investment return and that of the FTSE All-Share Index for the 12 month period ending 30 November 2023 was 0.08% (31 May 2023: +0.15%). The investment returns are calculated gross of fees using end of day pricing in order to be comparable with the index.

The historic tracking error of the investment return of the fund relative to the FTSE All-Share Index for the period ending 30 November 2023 was 0.10% (31 May 2023: 0.12%), which falls within the predicted tracking error range of 0.00% to 0.30%. Historic tracking error is a measure of the monthly volatility of the investment returns relative to the index over a 36 month period.

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+0.2	+7.6	+4.5	+4.7
Class 'A' Accumulation	+0.2	+7.7	+4.5	+4.7
Class 'C' Income	+0.4	+8.1	+5.0	+5.1
Class 'I' Income	+0.4	n/a	n/a	n/a
Class 'I' Accumulation	+0.4	+8.0	n/a	n/a
Class 'R' Income	+0.3	n/a	n/a	n/a
Class 'R' Accumulation	+0.3	n/a	n/a	n/a
Benchmark	+1.6	+8.4	+4.9	+5.1

^a Not annualised.

Financial highlights

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 27 February 1998.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	74.04	76.42	73.22
Return before operating charges	0.85	0.89	6.29
Operating charges	(0.20)	(0.40)	(0.34)
Return after operating charges	0.65	0.49	5.95
Distributions	(1.48)	(2.87)	(2.75)
Closing NAV	73.21	74.04	76.42
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.01	0.02
Dilution adjustments	(0.01)	(0.01)	(0.01)
Total direct transaction costs	0.01	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.53	0.53	0.45
Return after charges	+0.88	+0.64	+8.13
Other information			
Closing NAV (£'000)	251,867	243,112	252,924
Number of shares	344,021,062	328,370,911	330,974,257
Highest share price (UK p)	76.85	79.67	78.66
Lowest share price (UK p)	72.16	68.28	69.95

Sterling Class 'A' Accumulation share performance

The share class was launched on 27 February 1998.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	159.86	158.82	146.81
Return before operating charges	1.84	1.87	12.70
Operating charges	(0.42)	(0.83)	(0.69)
Return after operating charges	1.42	1.04	12.01
Distributions	(2.83)	(5.31)	(4.87)
Retained distributions	2.83	5.31	4.87
Closing NAV	161.28	159.86	158.82
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.04	0.02	0.04
Dilution adjustments	(0.03)	(0.02)	(0.02)
Total direct transaction costs	0.01	0.00	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.53	0.53	0.45
Return after charges	+0.89	+0.65	+8.18
Other information			
Closing NAV (£'000)	96,814	109,691	112,967
Number of shares	60,026,806	68,617,622	71,129,696
Highest share price (UK p)	165.95	168.64	160.43
Lowest share price (UK p)	155.82	141.91	142.66

Financial highlights

Sterling Class 'C' Income share performance

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

The share class was launched on 16 February 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	76.31	78.41	74.79
Return before operating charges	0.88	0.91	6.43
Operating charges	(0.03)	(0.06)	0.00
Return after operating charges	0.85	0.85	6.43
Distributions	(1.53)	(2.95)	(2.81)
Closing NAV	75.63	76.31	78.41
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.01	0.02
Dilution adjustments	(0.01)	(0.01)	(0.01)
Total direct transaction costs	0.01	0.00	0.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.08	0.08	0.00
Return after charges	+1.11	+1.08	+8.60
Other information			
Closing NAV (£'000)	39,887	39,586	41,809
Number of shares	52,736,778	51,874,731	53,322,145
Highest share price (UK p)	79.32	82.03	80.66
Lowest share price (UK p)	74.45	70.17	71.69

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 4 May 2023.

Change in NAV per share	Six months to 30.11.23 UK p	Period to 31.05.23 UK p
Opening NAV	96.75	100.00
Return before operating charges	1.11	(2.78)
Operating charges	(0.09)	(0.12)
Return after operating charges	1.02	(2.90)
Distributions	(1.92)	(0.35)
Closing NAV	95.85	96.75
Direct transaction costs	UK p	UK p
Costs before dilution adjustments	0.03	0.00
Dilution adjustments	(0.02)	0.00
Total direct transaction costs	0.01	0.00
Performance and charges	%	%
Direct portfolio transaction costs	0.01	0.00
Operating charges	0.18	0.18
Return after charges	+1.05	-2.90
Other information		
Closing NAV (£'000)	10,203	9,925
Number of shares	10,644,407	10,258,197
Highest share price (UK p)	100.53	100.97
Lowest share price (UK p)	94.37	97.72

Sterling Class 'I' Accumulation share performance

The share class was launched on 6 December 2019.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	114.80	113.66	104.77
Return before operating charges	1.33	1.34	9.08
Operating charges	(0.10)	(0.20)	(0.19)
Return after operating charges	1.23	1.14	8.89
Distributions	(2.24)	(4.20)	(3.78)
Retained distributions	2.24	4.20	3.78
Closing NAV	116.03	114.80	113.66
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.01	0.03
Dilution adjustments	(0.02)	(0.01)	(0.01)
Total direct transaction costs	0.01	0.00	0.02
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.18	0.18	0.17
Return after charges	+1.07	+1.00	+8.49
Other information			
Closing NAV (£'000)	67,032	51,694	47,119
Number of shares	57,773,448	45,030,254	41,457,374
Highest share price (UK p)	119.30	121.00	114.75
Lowest share price (UK p)	111.98	101.69	102.01

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 21 April 2022.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Period to 31.05.22 UK p
Opening NAV	96.14	99.13	100.00
Return before operating charges	1.11	1.15	(0.44)
Operating charges	(0.21)	(0.42)	(0.04)
Return after operating charges	0.90	0.73	(0.48)
Distributions	(1.92)	(3.72)	(0.39)
Closing NAV	95.12	96.14	99.13
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.02	0.01	0.00
Dilution adjustments	(0.02)	(0.01)	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.43	0.43	0.35
Return after charges	+0.94	+0.74	-0.48
Other information			
Closing NAV (£'000)	7,657	8,281	16,782
Number of shares	8,049,843	8,612,887	16,930,210
Highest share price (UK p)	99.83	103.44	100.15
Lowest share price (UK p)	93.73	88.61	93.68

Sterling Class 'R' Accumulation share performance

The share class was launched on 21 April 2022.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Period to 31.05.22 UK p
Opening NAV	100.27	99.52	100.00
Return before operating charges	1.16	1.17	(0.44)
Operating charges	(0.22)	(0.42)	(0.04)
Return after operating charges	0.94	0.75	(0.48)
Distributions	(1.83)	(3.43)	(0.35)
Retained distributions	1.83	3.43	0.35
Closing NAV	101.21	100.27	99.52
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.03	0.01	0.00
Dilution adjustments	(0.02)	(0.01)	0.00
Total direct transaction costs	0.01	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.01	0.00	0.01
Operating charges	0.43	0.43	0.35
Return after charges	+0.94	+0.75	-0.48
Other information			
Closing NAV (£'000)	67,645	67,684	70,538
Number of shares	66,834,874	67,503,111	70,880,400
Highest share price (UK p)	104.12	105.75	100.15
Lowest share price (UK p)	97.75	88.96	93.68

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		(5,021)		(9,636)
Revenue	10,958		9,788	
Expenses	(973)		(955)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	9,985		8,833	
Taxation	(12)		(11)	
Net revenue/(expense) after taxation		9,973		8,822
Total return before distributions		4,952		(814)
Distributions		(10,572)		(9,396)
Change in net assets attributable to shareholders from investment activities		(5,620)		(10,210)

Statement of change in net assets attributable to shareholders

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		529,973		542,139
Amounts received on issue of shares	44,853		11,460	
Amounts paid on cancellation of shares	(32,457)		(14,730)	
		12,396		(3,270)
Dilution adjustments		142		35
Change in net assets attributable to shareholders from investment activities (see above)		(5,620)		(10,210)
Retained distributions on Accumulation shares		4,213		3,744
Unclaimed distributions		1		0
Closing net assets attributable to shareholders		541,105		532,438

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

Financial statements and notes

Financial statements

Balance sheet

as at	30 November 2023 £'000	31 May 2023 £'000
Assets		
Fixed assets		
Investments	534,600	522,613
Current assets		
Debtors	2,541	3,471
Cash and bank balances	852	1,919
Cash equivalents	10,541	8,425
Total assets	548,534	536,428
Liabilities		
Investment liabilities	(137)	(326)
Creditors		
Bank overdrafts	(161)	0
Distribution payable	(6,256)	(5,888)
Other creditors	(875)	(241)
Total liabilities	(7,429)	(6,455)
Net assets attributable to shareholders	541,105	529,973

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 March 2023 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged) over any five-year period.

Investment policy

At least 80% of the fund is invested, directly or indirectly through derivatives, in short-dated investment grade fixed and floating rate corporate debt securities and in asset-backed securities. These securities can be issued by companies from anywhere in the world, including emerging markets. These securities can be denominated in any currency.

Other investments may include:

- below investment grade and unrated corporate debt securities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

The fund aims to hedge any non-sterling assets back to sterling.

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

Investment approach

The fund is diversified across a range of investment grade debt securities from a variety of sectors and geographies. The fund's investment approach is based on the principle that returns from corporate bond markets are driven by a combination of macroeconomic, asset class, sector, geographic and stock-level factors. As different factors dominate returns at different stages of the economic cycle, the fund manager applies a flexible investment approach, changing the blend of

duration and credit exposure in the portfolio to weight them appropriately. The fund manager also maintains a low duration profile through the fund's bias towards short-dated corporate bonds, in order to limit the effect of interest rate movements on the fund's capital value.

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

Benchmark

Benchmark: Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged).

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

The fund is actively managed.

The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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

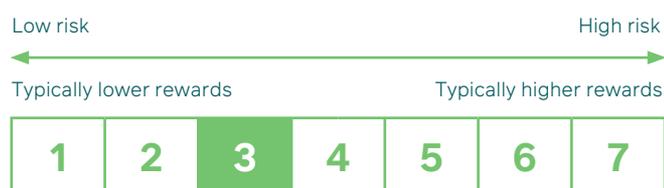
For currency hedged share classes, the benchmark is hedged to the share class currency.

Authorised Corporate Director's Report

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 November 2023

Performance against objective

The M&G Short Dated Corporate Bond Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. The fund was ahead of its benchmark, the Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged), which increased by 3.1% over the same period.

Over five years, the fund's share classes met the objective of providing a total return (the combination of capital growth and income), net of the ongoing charge figure, higher than the average return of the benchmark, which was 1.2% pa over this 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.

Performance review

The six months under review saw unprecedented volatility across global bond markets, as the spectre of high interest rates (which cause yields to rise) continued to dominate investor sentiment. Nevertheless, most fixed income assets delivered positive returns, except US Treasuries and German bunds. The positive momentum was evident towards the end of the review period as central banks adopted a more dovish tone (accommodative monetary policy).

Among the asset classes, developed market government bonds experienced heightened volatility and underperformed amid fears that interest rates would remain higher for longer. In contrast, the corporate bond market was relatively calm and spreads tightened considerably during the review period. Investment grade (IG) corporate bonds delivered positive returns, with the US market outperforming European and global bonds. Short-dated IG bonds, with less than three years until maturity, also registered a positive return. These bonds have a lower duration (sensitivity to changes in interest rates).

Against this backdrop, the fund delivered a positive return over the review period and outperformed its benchmark. The biggest driver of outperformance was the fund's yield curve positioning, in particular our overweight exposure to sterling - and US dollar-denominated bonds. (The yield curve plots the yield - or interest rate - of bonds with different maturity dates. We focus on bonds of particular maturities in order to benefit from expected changes in interest rates across the yield curve.)

Our credit positioning weighed slightly on performance. At the sector level, our off-benchmark allocations to securitised debt, such as ABS, contributed positively to performance, as did our credit default swap (CDS) positions. ABS are an integral part of our short-dated corporate bond strategy and our exposure is mainly to 'national champions' like blue-chip banks and financial companies with robust balance sheets. However, our underweight exposure to the industrial and financial sectors weighed on relative returns. Our foreign currency exposure also hampered performance.

Authorised Corporate Director's Report

During the review period, the fund maintained a low duration positioning of about 1.5 years, while its credit spread duration (sensitivity to changes in creditworthiness) averaged around 2.7 years over the period.

Investment activities

At the start of the review period, we slightly reduced our credit risk by selling some higher risk bonds and reducing our high yield (HY) CDS index positions (HY issues have lower credit ratings and are therefore considered riskier). Furthermore, we increased the credit quality by buying higher quality investment grade bonds. We also carried out a relative value trade in HSBC between its CDS and US dollar-denominated bonds.

Later, we closed out our additional-tier 1 bond positions, which had rebounded from the lows reached during the failure of Swiss lender Credit Suisse in March. Elsewhere, we switched out of Italian bank Intesa Sanpaolo's non-preferred senior bonds into preferred ones for a credit spread pick-up.

As credit spreads tightened over the summer, we sold a range of bonds (corporates, financials, HY, and covered bonds) and closed some IG CDS index positions; therefore marginally reducing our credit risk.

In government bonds, we reduced our holdings in UK government bonds (gilts).

In September, we added more financial bonds than corporates due to the more aggressive spread tightening seen in the new issuances of the latter. Within financials, we focused on senior bonds, including covered bonds which typically carry lower credit risk.

At the end of the review period, we closed our remaining HY CDS index positions and cut our exposure to French telecommunications firm Iliad, thereby reducing our HY exposure to around 1%.

In the primary market, we participated in new issues from French payments firm Worldline, US food company Bimbo Bakeries, UK hotelier InterContinental Hotels, and some UK building societies. We also added

senior debt from UK and European banks as well as some AAA-rated residential mortgage-backed securities (RMBS).

Outlook

The macroeconomic environment is currently supportive of financial assets as inflation is falling, while recession fears are fading. Growth is showing signs of easing, but that is happening very slowly as consumers continue to spend, supported by a robust labour market.

Although there are signs we could be at the peak of the rate-hike cycle, interest rates are still historically high, and this remains a challenge for bonds. Elevated bond yields have altered the short-dated IG corporate bonds' risk-reward opportunity set. As a result, the all-in-yield (comprising of risk-free interest rate plus the credit spread) on short-dated IG bonds were similar to longer-dated IG bonds, but with less sensitivity to interest rate changes in the former.

We, therefore, believe that it is possible to take on lower interest rate risk with these bonds without sacrificing too much yield. At the same time, lower-duration portfolios have stronger loss-limiting qualities compared to IG bonds with longer maturity horizons.

In a more volatile market environment, with increasing dispersion between individual credit valuations, we believe the current backdrop can provide a rich source of alpha-generating opportunities for active managers.

The fund's defensive credit spread duration positioning contains sufficient corporate bond exposure (which we can dial up or down) while being cautious enough, given the mainly subdued outlook for the global economy.

Matthew Russell

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 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income	453,224	96.96	97.91
Debt securities	452,444	96.79	97.73
'AAA' credit rated bonds	119,730	25.61	24.43
€1,151,000 Avoca XXV FRN 4.137% 15/10/2034	969	0.21	
£4,300,000 Bank of Nova Scotia FRN 5.0727% 09/03/2027	4,297	0.92	
€1,350,000 Cairn XIV FRN 4.242% 29/10/2034	1,140	0.24	
£1,199,632 Canada Square Funding 2021-1 FRN 5.2005% 17/06/2058	1,197	0.26	
£5,000,000 Canadian Imperial Bank 5.7392% 30/06/2025	5,001	1.07	
£1,322,810 Castell 2021-1 FRN 5.2859% 25/11/2053	1,320	0.28	
£9,000,000 Clydesdale Bank FRN 5.81955% 22/09/2028	8,997	1.93	
£4,014,000 Clydesdale Bank FRN 5.83161% 22/03/2026	4,026	0.86	
£2,700,000 Commonwealth Bank of Australia FRN 5.4075% 01/11/2028	2,732	0.58	
£1,895,000 Coventry Building Society FRN 4.7292% 14/03/2028	1,893	0.41	
€1,734,617 Glenbeigh 2 Issuer FRN 3.752% 24/03/2046	1,495	0.32	
£1,600,000 Holmes Master Issuer FRN 4.9457% 15/10/2072	1,603	0.34	
£1,002,941 Hops Hill No. 1 FRN 5.385% 27/05/2054	1,004	0.21	
£4,113,996 Hops Hill No. 3C FRN 5.4314% 21/12/2055	4,100	0.88	
US\$4,100,000 International Bank for Reconstruction & Development FRN 5.3742% 22/11/2028	3,223	0.69	
€900,184 Jubilee Place 2021-1 FRN 4.007% 17/07/2058	777	0.17	
£1,785,775 Jupiter Mortgage No. 1 FRN 5.174% 20/07/2060	1,785	0.38	
£758,086 Lanebrook Mortgage Transaction 2021-1 FRN 5.024% 20/07/2058	753	0.16	
£3,393,000 Mortimer BTL 5.1888% 22/12/2056	3,393	0.73	
£1,226,528 Mortimer BTL 2021-1 FRN 4.9676% 23/06/2053	1,221	0.26	
£1,143,486 Mortimer BTL 2022-1 FRN 5.3286% 23/03/2054	1,142	0.24	
£4,337,000 National Australia Bank FRN 5.029% 17/06/2026	4,336	0.93	
£3,000,000 Nationwide Building Society FRN 4.8522% 24/02/2031	2,945	0.63	
£2,393,022 Pierpont BTL 2023-1 FRN 5.5312% 21/09/2054	2,397	0.51	
£284,559 Precise Mortgage Funding 2020-1B FRN 5.3494% 16/10/2056	284	0.06	
US\$4,700,000 RIN II FRN 6.7747% 10/09/2030	3,679	0.79	
£4,800,000 Royal Bank of Canada FRN 5.1185% 18/01/2028	4,807	1.03	
£2,400,000 Santander FRN 4.9865% 12/02/2027	2,402	0.51	
£5,000,000 Skipton Building Society FRN 5.73161% 22/06/2028	4,995	1.07	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'AAA' credit rated bonds (continued)			
£1,140,303 Stratton Mortgage Funding 2021-1 FRN 5.1487% 25/09/2051	1,140	0.24	
£2,410,315 Stratton Mortgage Funding 2021-3 FRN 4.9209% 12/12/2043	2,407	0.52	
£2,391,350 Taurus 2021-4 FRN 5.3994% 17/08/2031	2,314	0.50	
£1,084,207 Together Asset Backed Securitisation 2020-1 FRN 5.8613% 15/12/2061	1,087	0.23	
£2,507,634 Together Asset Backed Securitisation 2021-1st1 FRN 5.0517% 12/07/2063	2,491	0.53	
£4,364,793 Together Asset Backed Securitisation 2023-1 FRN 6.44089% 20/01/2067	4,376	0.94	
£9,000,000 Toronto-Dominion Bank FRN 5.91515% 12/06/2028	8,990	1.92	
£1,560,840 Towd Point Mortgage Funding 2019-Auburn 13 FRN 5.724% 20/07/2045	1,561	0.33	
£913,174 Tower Bridge Funding 2021-1 FRN 5.2768% 21/07/2064	913	0.20	
£761,036 Tower Bridge Funding 2021-2 FRN 5.2319% 20/11/2063	759	0.16	
£3,063,809 Tower Bridge Funding 2022-1 FRN 4.9821% 20/12/2063	3,055	0.65	
£1,483,208 Tower Bridge Funding 2023-1 FRN 5.874% 20/10/2064	1,490	0.32	
£5,000,000 TSB Bank FRN 5.0411% 14/02/2027	5,003	1.07	
£2,268,544 Tudor Rose Mortgages FRN 4.8621% 20/06/2048	2,259	0.48	
£2,068,740 Twin Bridges 2021-1 FRN 5.0709% 12/03/2055	2,063	0.44	
€2,255,000 Voya Euro III FRN 4.097% 15/04/2033	1,909	0.41	
'AA' credit rated bonds	88,347	18.90	17.68
£746,000 Jupiter Mortgage No. 1 FRN 5.774% 20/07/2060	746	0.16	
£2,872,000 Metropolitan Life Global Funding I 1.625% 12/10/2028	2,462	0.53	
£1,743,000 Metropolitan Life Global Funding I 4.125% 02/09/2025	1,708	0.36	
£4,000,000 New York Life Global Funding 1.5% 15/07/2027	3,554	0.76	
£1,891,000 New York Life Global Funding 1.625% 15/12/2023	1,888	0.40	
US\$5,400,000 Svenska Handelsbanken FRN 6.59149% 15/06/2026	4,301	0.92	
£317,870 Telereal Securitisation 1.3657% 10/12/2031	275	0.06	
£40,000,000 UK Treasury 2.75% 07/09/2024	39,356	8.42	
£25,000,000 UK Treasury 3.5% 22/10/2025	24,529	5.25	
£2,500,000 UK Treasury IL 2.5% 17/07/2024	9,528	2.04	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'A' credit rated bonds	65,189	13.95	13.85
£2,750,000 A2D Funding II 4.5% 30/09/2026	2,648	0.57	
US\$44,941 AASET 2017-1 Trust 3.967% 16/05/2042	33	0.01	
€1,000,000 Aena 4.25% 13/10/2030	889	0.19	
€3,000,000 Bank of America FRN 3.892% 22/09/2026	2,599	0.56	
US\$1,628,000 Bank of America FRN 6.1492% 25/04/2025	1,289	0.28	
US\$100,000 Bank of America Var. Rate 3.841% 25/04/2025	78	0.02	
£4,800,000 Banque Fédérative du Crédit Mutuel 4.875% 25/09/2025	4,744	1.01	
£3,500,000 BMW International Investment 5.5% 06/06/2026	3,515	0.75	
€2,988,000 Comcast 0% 14/09/2026	2,346	0.50	
€3,800,000 Crédit Agricole 3.375% 28/07/2027	3,246	0.69	
€4,900,000 EssilorLuxottica 0.125% 27/05/2025	4,021	0.86	
US\$2,200,000 Henkel & Co 1.75% 17/11/2026	1,571	0.34	
US\$5,000,000 HSBC Var. Rate 2.251% 22/11/2027	3,573	0.76	
£3,784,000 John Deere Bank 5.125% 18/10/2028	3,817	0.82	
US\$5,000,000 John Deere Capital FRN 6.13294% 08/06/2026	3,973	0.85	
US\$6,500,000 JPMorgan Chase Var. Rate 2.301% 15/10/2025	4,987	1.07	
£3,000,000 Leeds Building Society 1.375% 06/10/2027	2,563	0.55	
US\$3,500,000 Mercedes Benz Finance 5.1% 03/08/2028	2,759	0.59	
US\$2,900,000 Morgan Stanley FRN 5.6826% 24/01/2025	2,288	0.49	
€980,000 Nationwide Building Society 4.5% 01/11/2026	859	0.18	
US\$1,576,000 NatWest Markets FRN 6.4085% 22/03/2025	1,244	0.27	
US\$4,300,000 Pfizer Investment Enterprises 4.45% 19/05/2026	3,365	0.72	
US\$2,236,266 Slam 2021-1 2.434% 15/06/2046	1,501	0.32	
£2,028,000 Toyota Motor Credit 0.75% 19/11/2026	1,786	0.38	
US\$1,815,000 UBS FRN 5.5355% 09/08/2024	1,427	0.30	
£4,000,000 UBS FRN 7% 30/09/2027	4,068	0.87	
'BBB' credit rated bonds	169,181	36.19	37.30
£700,000 AA Bond 3.25% 31/07/2050	573	0.12	
£4,600,000 AA Bond 5.5% 31/07/2050	4,246	0.91	
US\$1,964,000 AerCap Ireland Capital 2.45% 29/10/2026	1,413	0.30	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
€3,120,000 AIB Var. Rate 5.75% 16/02/2029	2,830	0.61	
US\$2,700,000 American Express FRN 5.8439% 13/02/2026	2,121	0.45	
US\$615,000 Amphenol 4.75% 30/03/2026	482	0.10	
US\$4,000,000 Banco Bilbao Vizcaya Argentaria Var. Rate 5.862% 14/09/2026	3,151	0.67	
£3,000,000 Banco Santander Var. Rate 2.25% 04/10/2032	2,509	0.54	
€1,778,000 Bank of Ireland Var. Rate 4.625% 13/11/2029	1,554	0.33	
€1,097,000 Bank of Ireland Var. Rate 4.875% 16/07/2028	969	0.21	
US\$1,140,000 Barclays Var. Rate 5.501% 09/08/2028	881	0.19	
£983,000 Barclays Var. Rate 6.369% 31/01/2031	980	0.21	
US\$4,800,000 Barclays Var. Rate 7.325% 02/11/2026	3,877	0.83	
US\$5,000,000 BAT Capital 6.343% 02/08/2030	4,061	0.87	
US\$3,500,000 Bimbo Bakeries USA 6.05% 15/01/2029	2,848	0.61	
£4,000,000 BPCE 6.125% 24/05/2029	4,023	0.86	
£1,400,000 CaixaBank Var. Rate 3.5% 06/04/2028	1,291	0.28	
US\$1,710,000 CaixaBank Var. Rate 6.208% 18/01/2029	1,342	0.29	
US\$5,400,000 Celanese 6.165% 15/07/2027	4,311	0.92	
£2,002,000 Citigroup 2.75% 24/01/2024	1,993	0.43	
US\$2,900,000 Citigroup FRN 6.4754% 17/03/2026	2,301	0.49	
US\$1,259,000 CNH Industrial Capital 3.95% 23/05/2025	972	0.21	
€2,000,000 Coca-Cola HBC Finance 1% 14/05/2027	1,588	0.34	
€3,080,000 Corning 3.875% 15/05/2026	2,662	0.57	
£2,144,000 Coventry Building Society FRN 7% 07/11/2027	2,180	0.47	
£4,000,000 CPUK Finance 3.588% 28/08/2025	3,825	0.82	
US\$3,000,000 Daimler Trucks Finance FRN 5.9969% 05/04/2024	2,367	0.51	
£4,300,000 Deutsche Pfandbriefbank 7.625% 08/12/2025	4,191	0.90	
€2,042,000 E.ON 2.875% 26/08/2028	1,717	0.37	
€3,600,000 EnBW International Finance 3.5% 24/07/2028	3,089	0.66	
€2,622,000 Enel Var. Rate 1.375% Perpetual	1,927	0.41	
US\$1,489,000 Enel Finance International 6.8% 14/10/2025	1,200	0.26	
€1,708,000 Eurofins Scientific 4.75% 06/09/2030	1,496	0.32	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£1,850,000 Fiserv 2.25% 01/07/2025	1,759	0.38	
£842,000 Gatwick Funding 5.25% 23/01/2024	841	0.18	
US\$4,062,000 Goldman Sachs FRN 6.2041% 24/02/2028	3,159	0.68	
US\$2,285,000 Goldman Sachs FRN 6.7706% 15/03/2028	1,818	0.39	
£1,281,000 Hiscox 6% 22/09/2027	1,288	0.28	
US\$5,400,000 HP Enterprise 5.9% 01/10/2024	4,270	0.91	
US\$2,500,000 Hyundai Capital America 6.5% 16/01/2029	2,031	0.43	
€1,224,000 IHG Finance 4.375% 28/11/2029	1,070	0.23	
£4,900,000 Informa 3.125% 05/07/2026	4,593	0.98	
£3,600,000 ING Var. Rate 5% 30/08/2026	3,558	0.76	
€5,000,000 Intesa Sanpaolo 5.25% 13/01/2030	4,487	0.96	
£3,000,000 KBC Var. Rate 1.25% 21/09/2027	2,661	0.57	
£4,271,000 Lloyds Banking Var. Rate 1.875% 15/01/2026	4,070	0.87	
£1,544,000 Lloyds Banking Var. Rate 1.985% 15/12/2031	1,349	0.29	
US\$2,000,000 Lloyds Banking Var. Rate 3.511% 18/03/2026	1,529	0.33	
US\$4,600,000 Nationwide Building Society FRN 6.3749% 16/02/2028	3,555	0.76	
£2,250,000 NatWest Var. Rate 2.875% 19/09/2026	2,124	0.45	
US\$1,529,000 NextEra Energy Capital 6.051% 01/03/2025	1,214	0.26	
US\$1,758,000 Pacific Gas and Electric 4.95% 08/06/2025	1,370	0.29	
US\$582,000 Pennsylvania Electric 5.15% 30/03/2026	453	0.10	
£4,800,000 RAC Bond 4.87% 06/05/2026	4,573	0.98	
€4,800,000 RWE 2.75% 24/05/2030	3,904	0.83	
€3,200,000 Signify 2% 11/05/2024	2,735	0.58	
£2,107,000 Southern Water Services Finance 1.625% 30/03/2027	1,809	0.39	
US\$1,428,000 Standard Chartered Var. Rate 6.301% 09/01/2029	1,135	0.24	
US\$1,089,000 Swedbank 6.136% 12/09/2026	867	0.19	
£3,700,000 Telereal Securitisation FRN 8.28481% 10/12/2033	3,335	0.71	
£1,200,000 Tesco 3.5419% 05/11/2025	2,406	0.51	
US\$2,700,000 T-Mobile USA 4.95% 15/03/2028	2,120	0.45	
€4,425,000 Unicredit FRN 4.6% 14/02/2030	3,879	0.83	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
€1,200,000 Vier Gas Transport 4% 26/09/2027	1,047	0.22	
£2,500,000 Volkswagen Financial Services 2.125% 18/01/2028	2,147	0.46	
€4,200,000 Volkswagen International Finance Var. Rate 3.748% Perpetual	3,219	0.69	
€1,200,000 Vonovia 0.375% 16/06/2027	904	0.19	
US\$4,900,000 Wells Fargo Var. Rate 2.188% 30/04/2026	3,687	0.79	
£2,000,000 Wells Fargo Var. Rate 3.473% 26/04/2028	1,862	0.40	
£4,550,000 Whitbread 3.375% 16/10/2025	4,346	0.93	
€1,100,000 Worldline 4.125% 12/09/2028	910	0.19	
£2,094,000 Yorkshire Building Society Var. Rate 7.375% 12/09/2027	2,127	0.45	
'BB' credit rated bonds	8,457	1.81	3.62
€2,400,000 Banco De Sabadell FRN 5.5% 08/09/2029	2,101	0.45	
€2,378,000 Ford Motor Credit 4.867% 03/08/2027	2,067	0.44	
£4,500,000 Marks & Spencer 3.75% 19/05/2026	4,289	0.92	
'B' credit rated bonds	1,540	0.33	0.85
US\$2,000,000 Iliad 6.5% 15/10/2026	1,540	0.33	
Debt derivatives	780	0.17	0.18
Credit default swaps			
US\$(5,000,000) HSBC Holdings Dec 2027	(67)	(0.02)	
€(48,000,000) Markit iTraxx Europe Series 38 V1 5 Year Dec 2027	732	0.16	
€(12,000,000) Markit iTraxx Europe Series 39 V1 5 Year Jun 2028	175	0.04	
€(5,400,000) Marks & Spencer Jun 2026	(60)	(0.01)	
Currency	565	0.12	0.30
Forward currency contracts			
€(75,785,642) Sold for £65,927,321 (expires 31.01.24)	338	0.07	
US\$(127,415,253) Sold for £100,976,663 (expires 31.01.24)	227	0.05	
Total portfolio	453,789	97.08	98.21
Net other assets/(liabilities)	13,635	2.92	1.79
Net assets attributable to shareholders	467,424	100.00	100.00

Portfolio statement

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

Largest purchases	£'000
UK Treasury 2.75% 07/09/2024	39,346
UK Treasury 3.5% 22/10/2025	24,472
UK Treasury 1% 22/04/2024	12,594
Treasury IL 2.5% 17/07/2024	9,373
Clydesdale Bank FRN 5.81955% 22/09/2028	9,008
Toronto-Dominion Bank FRN 5.91515% 12/06/2028	9,003
Canadian Imperial Bank 5.7392% 30/06/2025	5,004
Skipton Building Society FRN 5.73161% 22/06/2028	5,000
Together Asset Backed Securitisation 2023-1 FRN 6.44089% 20/01/2067	4,605
Intesa Sanpaolo 5.25% 13/01/2030	4,521
Other purchases	102,831
Total purchases	225,757

Largest sales	£'000
UK Treasury 1% 22/04/2024	76,546
Royal Bank of Canada FRN 5.3852% 22/10/2026	4,354
FirstGroup 6.875% 18/09/2024	4,121
TSB Bank FRN 5.0411% 14/02/2027	4,006
Scottish Widows 5.5% 16/06/2023	3,800
Lloyds Bank 6% 08/02/2029	3,723
AA Bond 6.269% 31/07/2025	3,664
New York Life Global Funding 1.25% 17/12/2026	3,384
Mercedes-Benz Finance North America FRN 5.905% 30/03/2025	3,383
General Motors Financial FRN 6.2842% 17/11/2023	3,299
Other sales	67,743
Total sales	178,023

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+3.3	+1.2	+2.1	+1.8
Class 'A' Accumulation	+3.3	n/a	n/a	n/a
Class 'I' Income	+3.5	+1.5	+2.3	+2.0
Class 'I' Accumulation	+3.5	+1.5	n/a	n/a
Class 'PP' Income	+3.5	+1.6	n/a	n/a
Class 'PP' Accumulation	+3.5	+1.6	n/a	n/a
Benchmark^b	+3.1	+0.6	+1.2	+1.4

^a Not annualised.

^b The comparator benchmark was introduced on 13 March 2018. Before this date, the fund was not managed with reference to the Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged).

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 29 January 1993.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	24.59	25.12	25.96
Return before operating charges	0.89	0.46	(0.38)
Operating charges	(0.06)	(0.12)	(0.13)
Return after operating charges	0.83	0.34	(0.51)
Distributions	(0.62)	(0.87)	(0.33)
Closing NAV	24.80	24.59	25.12
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.50	0.50	0.50
Return after charges	+3.38	+1.35	-1.96
Other information			
Closing NAV (£'000)	34,279	36,358	43,466
Number of shares	138,245,303	147,861,659	173,023,568
Highest share price (UK p)	25.19	25.23	26.10
Lowest share price (UK p)	24.53	24.24	25.16

Sterling Class 'A' Accumulation share performance

The share class was launched on 27 April 2023.

Change in NAV per share	Six months to 30.11.23 UK p	Period to 31.05.23 UK p
Opening NAV	99.71	100.00
Return before operating charges	3.65	(0.23)
Operating charges	(0.25)	(0.06)
Return after operating charges	3.40	(0.29)
Distributions	(2.29)	(0.37)
Retained distributions	2.29	0.37
Closing NAV	103.11	99.71
Direct transaction costs	UK p	UK p
Costs before dilution adjustments	0.00	0.00
Dilution adjustments	0.00	0.00
Total direct transaction costs	0.00	0.00
Performance and charges	%	%
Direct portfolio transaction costs	0.00	0.00
Operating charges	0.50	0.50
Return after charges	+3.41	-0.29
Other information		
Closing NAV (£'000)	547	186
Number of shares	530,710	186,523
Highest share price (UK p)	103.39	100.27
Lowest share price (UK p)	99.49	99.71

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 9 November 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	995.93	1,014.89	1,046.28
Return before operating charges	36.17	18.69	(15.49)
Operating charges	(1.26)	(2.51)	(2.62)
Return after operating charges	34.91	16.18	(18.11)
Distributions	(25.29)	(35.14)	(13.28)
Closing NAV	1,005.55	995.93	1,014.89
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.25	0.25	0.25
Return after charges	+3.51	+1.59	-1.73
Other information			
Closing NAV (£'000)	330,341	301,298	176,166
Number of shares	32,851,794	30,253,066	17,358,096
Highest share price (UK p)	1,021.48	1,020.84	1,052.50
Lowest share price (UK p)	993.83	980.18	1,016.22

Sterling Class 'I' Accumulation share performance

The share class was launched on 15 May 2020.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	103.97	102.30	104.12
Return before operating charges	3.80	1.93	(1.56)
Operating charges	(0.13)	(0.26)	(0.26)
Return after operating charges	3.67	1.67	(1.82)
Distributions	(2.53)	(3.33)	(1.07)
Retained distributions	2.53	3.33	1.07
Closing NAV	107.64	103.97	102.30
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.25	0.25	0.25
Return after charges	+3.53	+1.63	-1.75
Other information			
Closing NAV (£'000)	42,560	22,356	2,727
Number of shares	39,540,602	21,502,385	2,665,244
Highest share price (UK p)	107.92	104.53	104.74
Lowest share price (UK p)	103.75	99.37	102.00

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	96.51	98.25	101.18
Return before operating charges	3.50	1.81	(1.49)
Operating charges	(0.07)	(0.15)	(0.15)
Return after operating charges	3.43	1.66	(1.64)
Distributions	(2.45)	(3.40)	(1.29)
Closing NAV	97.49	96.51	98.25
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.15	0.15	0.15
Return after charges	+3.55	+1.69	-1.62
Other information			
Closing NAV (£'000)	12,727	14,725	9,102
Number of shares	13,055,035	15,256,798	9,264,779
Highest share price (UK p)	99.04	98.89	101.81
Lowest share price (UK p)	96.31	94.92	98.37

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	105.95	104.15	105.89
Return before operating charges	3.87	1.96	(1.58)
Operating charges	(0.08)	(0.16)	(0.16)
Return after operating charges	3.79	1.80	(1.74)
Distributions	(2.63)	(3.50)	(1.19)
Retained distributions	2.63	3.50	1.19
Closing NAV	109.74	105.95	104.15
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Operating charges	0.15	0.15	0.15
Return after charges	+3.58	+1.73	-1.64
Other information			
Closing NAV (£'000)	46,970	35,647	784
Number of shares	42,799,974	33,645,998	753,136
Highest share price (UK p)	110.04	106.51	106.54
Lowest share price (UK p)	105.73	101.20	103.83

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		4,758		(4,260)
Revenue	11,380		3,896	
Expenses	(594)		(397)	
Interest payable and similar charges	(1)		(1)	
Net revenue/(expense) before taxation	10,785		3,498	
Taxation	(13)		(18)	
Net revenue/(expense) after taxation		10,772		3,480
Total return before distributions		15,530		(780)
Distributions		(11,305)		(3,870)
Change in net assets attributable to shareholders from investment activities		4,225		(4,650)

Statement of change in net assets attributable to shareholders

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		410,570		232,245
Amounts received on issue of shares	166,763		160,543	
Amounts paid on cancellation of shares	(115,998)		(29,819)	
		50,765		130,724
Dilution adjustments		265		258
Change in net assets attributable to shareholders from investment activities (see above)		4,225		(4,650)
Retained distributions on Accumulation shares		1,597		192
Unclaimed distributions		2		2
Closing net assets attributable to shareholders		467,424		358,771

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

Financial statements and notes

Financial statements

Balance sheet

as at	30 November 2023 £'000	31 May 2023 £'000
Assets		
Fixed assets		
Investments	453,916	403,755
Current assets		
Debtors	6,951	158,655
Cash and bank balances	5,146	3,591
Cash equivalents	12,189	3,442
Total assets	478,202	569,443
Liabilities		
Investment liabilities	(127)	(536)
Creditors		
Bank overdrafts	(4,414)	0
Overdrawn positions at futures clearing houses and collateral manager	(1,007)	(872)
Distribution payable	(4,960)	(3,975)
Other creditors	(270)	(153,490)
Total liabilities	(10,778)	(158,873)
Net assets attributable to shareholders	467,424	410,570

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 March 2023 has been used.

Investment objective

The fund aims to provide:

- a higher annual yield than the FTSE All-Share Index;
- an income stream that increases annually; and
- a higher total return (capital growth plus income), net of the ongoing charge figure, than a composite index* over any five year period.

* 70% FTSE All-Share Index and 30% FTSE Actuaries UK Conventional Gilts All Stocks Index.

Investment policy

At least 70% of the fund is invested directly in equities and equity-related instruments of companies across any sector and market capitalisation, that are incorporated, domiciled, listed or do most of their business in the UK.

The fund may invest in other transferable securities, including equities and equity-related instruments of non-UK companies, investment grade debt securities, and cash and near cash, directly or via funds (including funds managed by M&G). Debt securities are issued by companies, or issued or guaranteed by government or public issuers, located anywhere in the world, and will be denominated in GBP.

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

The fund employs a disciplined approach to investment, concentrating on analysis and selection of individual companies.

The fund typically invests in a diversified portfolio of high-yielding UK stocks. This means that there is generally a bias towards out-of-favour, undervalued stocks. From the universe of high-yielding stocks, the

fund manager identifies good-quality companies that are competitive, with a strong business franchise, healthy cashflows and that have attractive dividend growth prospects.

The fund manager also allocates part of the portfolio to debt securities. Investments in debt securities primarily aim to reduce the volatility of the fund, whilst providing an alternative stable source of income.

Benchmark

Yield – FTSE All-Share Index.

Total return – a composite index comprising:

- 70% FTSE All-Share Index
- 30% FTSE Actuaries UK Conventional Gilts All Stocks Index

The benchmarks are targets which the fund seeks to outperform, and have been chosen as they best reflect the scope of the fund's investment policy. The benchmarks are used solely to measure the fund's performance and do 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. The fund's holdings may deviate significantly from the constituents of the benchmarks.

The total return benchmark is shown in the share class currency.

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

Authorised Corporate Director's Report

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 November 2023

Performance against objective

Over the reporting period, the M&G UK Income Distribution Fund delivered positive total returns (the combination of income and growth of capital) across all its sterling share classes. The fund underperformed its composite benchmark, consisting of 70% FTSE All-Share Index and 30% FTSE Actuaries UK Conventional Gilts All Stocks Index, which posted 1.7% over the same period.

Over five years, the fund delivered positive annualised total returns across all its share classes, meeting its objective of delivering a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than its composite benchmark, which returned 2.8% pa over this period.

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

The fund also aims to provide a higher total yield (level of income returned) than the FTSE All-Share Index, as well as an income stream that increases every year. As at 1 December 2023, it yielded between 5.55% (Class I Income) and 5.54% (Class A Income). This represents a premium of around 40% relative to the FTSE All-Share Index at 3.96%, meeting the objective to outperform the benchmark yield. Income distributed for the Sterling Class 'I' shares and the Sterling Class 'A' shares was broadly flat compared to the same period last year. Two quarterly distributions of 6.60p per Sterling Class 'A' Income share were declared in respect of the review period, making a total distribution of 13.20p per Income share. This was unchanged from the corresponding period last year.

Performance review

The review period was dominated by concerns over the impact of increasing interest rates as global central banks continued to fight inflation. In similar fashion to other major central banks, the Bank of England raised interest rates in May, June and August. Over the summer, some moderation in inflation data, coupled with a deterioration in economic activity, led to rates being held at 5.25% for the remainder of the period. November was seen as a pivotal month regarding the outlook for interest rates due to several undershoots in global inflation data, combined with a cooling in the US economy. This led to a rebound across the board, edging the UK market into positive territory. Performance lagged other major regions, however, on lacklustre domestic growth and sticky inflation. The UK equity market also lacks exposure to large technology companies which rallied on investor enthusiasm for artificial intelligence (AI). Unsurprisingly, technology was the best-performing UK market sector over the review period, followed by energy – although oil prices retreated in the latter months. In contrast, companies in both the healthcare and telecommunications sectors were weak.

Authorised Corporate Director's Report

Sterling investment grade corporate bonds remained reasonably resilient with investors shrugging off domestic economy concerns. Bonds issued by the financial sector – banks and insurers, for example – were among the best performers. In contrast, government bond markets were buffeted by interest rate concerns, before recovering at the end of the review period.

Against this backdrop, the fund's equity portion underperformed the FTSE All-Share index. Sector allocation was positive for relative performance, but this was more than offset by unfavourable security selection. The fund's above-market exposure to the strongly performing energy sector was helpful, although selection here detracted. Our underweight positioning in consumer staples also boosted relative returns, particularly as our stock choices were also beneficial. Conversely, our underweight in industrials and overweight exposure to the telecommunications sector detracted.

At the individual stock level, one of the best contributors to performance was our overweight holding in BP which benefited from energy market strength. Our decision to avoid investing in Diageo, a global beverage company, also proved constructive. Conversely, our overweight position in gambling group Entain detracted. Elsewhere, a zero weight in Rolls Royce worked against us following a rebound in its share price.

The fund's fixed income allocation comfortably outperformed the FTSE Actuaries UK Conventional Gilts All Stocks Index. This was due to the portfolio's preference for corporate debt which outperformed government bonds. Our below-benchmark exposure to interest rate risk (duration) was also helpful given central banks' rate hiking cycles.

In terms of portfolio activity, we entered several new positions where we felt yields looked particularly compelling. In particular, we invested in bonds in the financials space (eg, Barclays, Virgin Money), the real estate sector (Annington Funding) and utilities (United Utilities Water Finance), trading at wider risk premiums

than bonds of industrial issuers with similar credit ratings. We also added positions in the primary market. These included new issues from Mercedes Benz, John Deere and Yorkshire Building Society, which we felt offered compelling new issue premiums compared to the outstanding bonds of these issuers. Elsewhere, we tactically invested in short-dated UK bonds (gilts) which – unusually – were offering higher yields (in other words, higher income) than those with longer maturities. These purchases meant the fund's duration or sensitivity to interest rate changes rose. This active re-risking of the portfolio allowed us to participate in the rally in government bonds yields and credit spreads that set in in late October.

As at the end of November 2023, the fund was around 75% invested in equities and 25% in bonds. The fund has retained its slight overweight exposure to equities at the expense of bonds (relative to the benchmark index). Within equities, the fund has overweight exposure to banks and insurers, along with a small above-market position in utility companies. Meanwhile, we continue to have a very modest exposure to the industrials sector and are also underweight consumer staples companies. Within bonds, we allowed the portfolio's duration and credit risk to drift up a little via our new purchases but maintained the fund's high-quality, defensive tilt.

Outlook

After months of interest rate hikes, there are signs that inflation is cooling and that global interest rates are peaking. Market participants are now pricing interest rate cuts earlier in 2024 than initially expected, although policy makers continue to indicate rates will remain at these levels for some time. As we head into the new year, we maintain our belief that economic risks will remain elevated, with a potential downturn, following one of the most aggressive interest rate hiking cycles in history. Continued conflict in the Middle East, combined with an election year for multiple countries, are further reasons to maintain a cautious stance.

The resiliency of the US economy has taken the market by surprise but there are now some signs of cooling with jobless claims and credit card delinquencies

Authorised Corporate Director's Report

picking up. Economic data continues to worsen in Europe while the UK's relentless interest rate hiking cycle has already led to a deterioration in economic activity.

The fund delivered a one-year income growth of circa 9% to its May 2023 financial year end and rebuilt the income level above the distribution of full-year 2019 (last year prior to cuts associated with the COVID downturn). This is in stark contrast to the UK equity market as a whole, which has still not recovered its income generation to its pre-COVID levels. We continue to target the income growth objective but given the considerable increase in income over the last two years this may prove to be a more challenging task this financial year.

We believe that this is not a market for making directional macroeconomic calls. By contrast, the UK equity market remains attractively valued and one where selection is the main driver of alpha (the excess return of a fund relative to its benchmark return). In our view, this offers attractive opportunities for bottom-up, fundamental investors. We continue to invest in a basket of well diversified high-yielding UK-based companies that we believe have the potential to deliver attractive financial returns, while providing resilience during economic downturns. Within bonds, we believe that the lagged effect of tighter lending standards and higher refinancing costs will take a toll on credit quality, causing default rates to increase. As a result, our fixed income positioning remains defensive and includes good-quality, liquid corporate bonds offering stability and a counterweight to equity market volatility.

Elina Symon

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 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities	318,702	73.66	75.77
Software & computer services	4,140	0.96	1.24
1,500,000 Moneysupermarket.com	4,140	0.96	
Telecommunication service providers	11,823	2.73	2.86
3,650,000 BT	4,486	1.04	
10,300,000 Vodafone	7,337	1.69	
Pharmaceuticals & biotechnology	30,559	7.06	7.81
145,500 AstraZeneca	14,547	3.36	
1,130,000 GSK	16,012	3.70	
Banks	33,465	7.74	7.94
270,000 Close Brothers	2,102	0.49	
3,500,000 HSBC	21,021	4.86	
12,175,000 Lloyds Banking	5,286	1.22	
6,250 Nationwide Building Society 10.25% CCD Non-cum. Irrd. Pref.	726	0.17	
1,600,000 NatWest	3,336	0.77	
900,000 Standard Chartered 8.25% Non-cum. Irrd. Pref.	994	0.23	
Investment banking & brokerage services	21,001	4.85	4.56
1,525,000 abrdn	2,495	0.58	
1,500,000 Ashmore	2,667	0.62	
4,600,000 Duke Royalty ^a	1,449	0.33	
396,429 EF Realisation ^b	0	0.00	
410,000 Hargreaves Lansdown	2,929	0.68	
385,000 IG	2,614	0.60	
165,000 Intermediate Capital	2,588	0.60	
3,000,000 Lloyds Banking 9.25% Non-cum. Irrd. Pref.	3,843	0.89	
500,000 Petershill Partners	714	0.16	
715,000 XPS Pensions	1,702	0.39	
Closed-ended investments	4,187	0.97	1.22
433,196 Atrato Onsite Energy	315	0.07	
1,000,000 Middlefield Canadian Income Trust	950	0.22	
158,924 Pollen Street	915	0.21	
3,132,267 Taylor Maritime Investments	2,007	0.47	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Life insurance	27,089	6.26	6.60
1,610,000 Aviva	6,731	1.56	
1,500,000 Aviva 8.375% Cum. Irrd. Pref.	1,785	0.41	
1,700,000 Chesnara	4,429	1.02	
3,140,000 Legal & General	7,187	1.66	
1,500,000 Phoenix	6,957	1.61	
Non-life insurance	11,000	2.54	2.72
485,000 Conduit	2,292	0.53	
810,000 Direct Line Insurance	1,528	0.35	
2,600,000 General Accident 7.875% Cum. Irrd. Pref.	2,912	0.67	
1,400,000 General Accident 8.875% Cum. Irrd. Pref.	1,687	0.39	
165,000 Lancashire	1,041	0.24	
1,075,738 Sabre Insurance	1,540	0.36	
Real estate investment & services	1,177	0.27	0.57
8,403,680 Grit Real Estate Income	1,177	0.27	
Real estate investment trusts	7,566	1.75	1.55
1,600,000 abrdn Property Income Trust	763	0.17	
365,000 British Land	1,288	0.30	
2,200,000 Channel Islands Property Fund	1,936	0.45	
1,870,260 Home ^b	266	0.06	
170,000 Land Securities	1,066	0.25	
2,325,000 NewRiver	1,941	0.45	
1,000,000 Regional	306	0.07	
Household goods & home construction	6,054	1.40	1.21
4,440,000 Taylor Wimpey	5,752	1.33	
649,126 Watkin Jones ^a	302	0.07	
Media	7,750	1.79	2.36
5,800,000 ITV	3,496	0.81	
3,350,000 Reach	2,479	0.57	
340,000 STV	637	0.15	
160,000 WPP	1,138	0.26	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Retailers	2,081	0.48	0.42
803,335 ScS	2,081	0.48	
Travel & leisure	3,425	0.79	1.77
425,000 Entain	3,343	0.77	
119,978 National Express	82	0.02	
Tobacco	27,844	6.44	5.49
575,000 British American Tobacco	14,499	3.35	
720,000 Imperial Brands	13,345	3.09	
Personal care, drug & grocery stores	5,631	1.30	1.45
150,000 Unilever	5,631	1.30	
Construction & materials	5,174	1.20	1.20
180,000 Keller	1,521	0.35	
940,000 Kier	1,015	0.24	
382,401 Marshalls	955	0.22	
2,750,000 Severfield	1,683	0.39	
General industrials	3,467	0.80	0.72
1,200,000 DS Smith	3,467	0.80	
Industrial engineering	2,021	0.47	0.47
470,000 Vesuvius	2,021	0.47	
Industrial support services	4,459	1.03	0.41
615,000 PageGroup	2,773	0.64	
230,000 PayPoint	1,106	0.26	
1,250,000 Smiths News	580	0.13	
Industrial transportation	4,328	1.00	0.91
585,000 International Distributions Services	1,425	0.33	
2,700,000 Pacific Basin Shipping	648	0.15	
764,439 Wincanton	2,255	0.52	
Industrial metals & mining	23,656	5.47	4.90
78,000 Anglo American	1,670	0.39	
90,000 BHP	2,169	0.50	
600,000 Central Asia Metals	1,007	0.23	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Industrial metals & mining (continued)			
535,000 Kenmare Resources	2,185	0.51	
306,000 Rio Tinto	16,625	3.84	
Chemicals	1,048	0.24	0.46
70,000 Victrex	1,048	0.24	
Oil & gas	41,858	9.67	9.97
5,390,000 BP	26,139	6.04	
6,397,178 Diversified Energy	4,180	0.96	
445,000 Shell	11,539	2.67	
Electricity	9,257	2.14	2.98
567,328 Drax	2,499	0.58	
370,000 SSE	6,758	1.56	
Gas, water & multi-utilities	18,642	4.31	3.98
1,120,000 National Grid	11,458	2.65	
297,000 Pennon	2,121	0.49	
21,777 Severn Trent	572	0.13	
405,000 United Utilities	4,491	1.04	
Fixed income	113,552	26.24	24.68
Debt securities	113,552	26.24	24.68
'AAA' credit rated bonds	6,163	1.43	1.90
£647,000 Commonwealth Bank of Australia FRN 4.9157% 16/01/2025	647	0.15	
£2,000,000 Inter-American Development Bank 4% 17/12/2029	1,959	0.45	
£1,000,000 Johnson & Johnson 5.5% 06/11/2024	1,002	0.23	
£1,500,000 KfW 0.75% 07/12/2027	1,297	0.30	
£295,000 Leeds Building Society FRN 4.9057% 15/01/2025	296	0.07	
£56,450 Precise Mortgage Funding 2020-1B FRN 5.3494% 16/10/2056	56	0.02	
£905,000 Royal Bank of Canada FRN 4.9098% 03/10/2024	906	0.21	
'AA' credit rated bonds	20,084	4.64	3.93
£1,286,000 DNB Bank Var. Rate 2.625% 10/06/2026	1,227	0.28	
£382,000 Euroclear Bank 1.25% 30/09/2024	369	0.09	
£1,306,000 Land Securities Capital Markets 1.974% 08/02/2024	1,296	0.30	
£933,000 MassMutual Global Funding II 1.375% 15/12/2026	836	0.19	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'AA' credit rated bonds (continued)			
£971,000 Metropolitan Life Global Funding I 5% 10/01/2030	968	0.22	
£627,000 Nestlé 0.625% 18/12/2025	577	0.13	
£607,000 New York Life Global Funding 1.25% 17/12/2026	543	0.13	
£3,000,000 Procter & Gamble 1.375% 03/05/2025	2,855	0.66	
£1,221,000 Protective Life Global Funding 5.248% 13/01/2028	1,227	0.28	
£105,957 Telereal Securitisation 1.3657% 10/12/2031	92	0.02	
£1,500,000 UK Treasury 0.125% 31/01/2024	1,488	0.35	
£2,500,000 UK Treasury 0.375% 22/10/2026	2,242	0.52	
£4,000,000 UK Treasury 0.5% 31/01/2029	3,343	0.77	
£1,785,270 UK Treasury 1% 22/04/2024	1,757	0.41	
£2,000,000 UK Treasury 1.125% 31/01/2039	1,264	0.29	
'A' credit rated bonds	34,072	7.87	5.88
£742,000 American Honda Finance 5.6% 06/09/2030	756	0.17	
£1,150,000 Anheuser-Busch InBev 9.75% 30/07/2024	1,178	0.27	
£1,500,000 Banco Santander 1.375% 31/07/2024	1,456	0.34	
£1,000,000 Bank of America Var. Rate 1.667% 02/06/2029	847	0.20	
£999,000 Bank of America Var. Rate 3.584% 27/04/2031	897	0.21	
£1,500,000 Bank of Nova Scotia 1.25% 17/12/2025	1,381	0.32	
£1,500,000 Banque Fédérative du Crédit Mutuel 1.875% 26/10/2028	1,289	0.30	
£1,300,000 BNP Paribas 1.875% 14/12/2027	1,133	0.26	
£700,000 BPCE 1.375% 23/12/2026	623	0.14	
£874,000 Canadian Imperial Bank of Commerce 1.625% 25/09/2025	818	0.19	
£807,000 Caterpillar Financial Services 5.72% 17/08/2026	820	0.19	
£430,000 CK Hutchison Telecom Finance 2% 17/10/2027	375	0.09	
£1,500,000 Commerzbank 1.5% 22/11/2024	1,437	0.33	
£1,171,000 Credit Suisse Var. Rate 2.125% 12/09/2025	1,133	0.26	
£1,116,000 Equitable Financial Life Global Funding 6.375% 02/06/2028	1,159	0.27	
£459,000 Experian Finance 0.739% 29/10/2025	422	0.10	
£485,000 Experian Finance 2.125% 27/09/2024	472	0.11	
£1,100,000 Henkel 1.25% 30/09/2026	1,002	0.23	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'A' credit rated bonds (continued)			
£421,000 HSBC Var. Rate 3% 22/07/2028	382	0.09	
£500,000 HSBC Var. Rate 3% 29/05/2030	432	0.10	
£2,000,000 HSBC Var. Rate 2.256% 13/11/2026	1,867	0.43	
£1,300,000 ING 3% 18/02/2026	1,232	0.28	
£1,000,000 John Deere Bank 5.125% 18/10/2028	1,009	0.23	
£1,275,000 JPMorgan Chase Var. Rate 0.991% 28/04/2026	1,192	0.28	
£500,000 Landesbank Baden-Wuerttemberg 1.5% 03/02/2025	474	0.11	
£1,525,000 London Merchant Securities 6.5% 16/03/2026	1,529	0.35	
£1,500,000 Mercedes Benz International Finance 5.625% 17/08/2026	1,516	0.35	
£918,000 Notting Hill Genesis 3.25% 12/10/2048	613	0.14	
£1,242,000 Realty Income 1.125% 13/07/2027	1,061	0.25	
£1,503,000 TotalEnergies Capital International 1.75% 07/07/2025	1,431	0.33	
£1,343,000 Toyota Motor Credit 0.75% 19/11/2026	1,183	0.27	
£1,231,000 UBS Var. Rate 1.875% 03/11/2029	1,030	0.24	
£2,000,000 Yorkshire Water Finance 5.25% 28/04/2030	1,923	0.44	
	51,931	12.00	12.53
'BBB' credit rated bonds			
£2,000,000 ABN AMRO Bank 5.125% 22/02/2028	1,972	0.46	
£794,000 Akelius Residential Property 2.375% 15/08/2025	739	0.17	
£1,750,000 Amgen 5.5% 07/12/2026	1,768	0.41	
£893,000 Annington Funding 2.646% 12/07/2025	843	0.19	
£326,000 Annington Funding 4.75% 09/08/2033	287	0.07	
£1,214,000 Aroundtown 3% 16/10/2029	843	0.19	
£800,000 Babcock International 1.875% 05/10/2026	719	0.17	
£1,000,000 Barclays 3.125% 17/01/2024	996	0.23	
£484,000 Barclays Var. Rate 7.09% 06/11/2029	498	0.11	
£800,000 Barclays Var. Rate 6.369% 31/01/2031	797	0.18	
£700,000 BPCE 6.125% 24/05/2029	704	0.16	
£1,125,000 Cadent Finance 5.75% 14/03/2034	1,113	0.26	
£700,000 CaixaBank Var. Rate 3.5% 06/04/2028	646	0.15	
£846,000 Channel Link Enterprises Finance Var. Rate 3.043% 30/06/2050	724	0.17	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£976,000 Citigroup 2.75% 24/01/2024	972	0.22	
£644,000 Coventry Building Society FRN 7% 07/11/2027	655	0.15	
£1,500,000 Deutsche Bank Var. Rate 6.125% 12/12/2030	1,454	0.34	
£2,000,000 Deutsche Pfandbriefbank 7.625% 08/12/2025	1,949	0.45	
£208,000 Deutsche Telekom 3.125% 06/02/2034	175	0.04	
£178,000 Digital Stout 2.75% 19/07/2024	174	0.04	
£1,000,000 Digital Stout 3.75% 17/10/2030	880	0.20	
£513,000 DP World 4.25% 25/09/2030	453	0.10	
£950,000 EDF 6.125% 02/06/2034	954	0.22	
£630,000 FirstGroup 6.875% 18/09/2024	632	0.15	
£734,000 Ford Motor Credit 4.535% 06/03/2025	715	0.17	
£1,500,000 Goldman Sachs 3.125% 25/07/2029	1,330	0.31	
£1,859,000 Hammerson 3.5% 27/10/2025	1,762	0.41	
£110,000 Heathrow Funding 2.75% 13/10/2029	95	0.02	
£926,000 Holcim Sterling Finance (Netherlands) 3% 12/05/2032	756	0.17	
£878,000 Imperial Brands Finance 8.125% 15/03/2024	882	0.20	
£1,007,000 Informa 3.125% 05/07/2026	944	0.22	
£454,000 Liberty Living Finance 2.625% 28/11/2024	438	0.10	
£500,000 Lloyds Banking Var. Rate 2% 12/04/2028	443	0.10	
£492,000 Lloyds Banking Var. Rate 2.707% 03/12/2035	376	0.09	
£658,000 Lloyds Banking Var. Rate 1.985% 15/12/2031	575	0.13	
£1,034,000 Logicor Financing 2.75% 15/01/2030	810	0.19	
£369,000 McKesson 3.125% 17/02/2029	336	0.08	
£712,000 Nationwide Building Society Var. Rate 6.178% 07/12/2027	715	0.17	
£619,000 NatWest Var. Rate 3.125% 28/03/2027	578	0.13	
£406,000 NatWest Var. Rate 2.057% 09/11/2028	351	0.08	
£205,000 Next 3% 26/08/2025	196	0.05	
£874,000 Rentokil Initial 5% 27/06/2032	828	0.19	
£1,340,000 Santander Var. Rate 7.098% 16/11/2027	1,365	0.32	
£201,000 Severn Trent Utilities Finance 2.625% 22/02/2033	159	0.04	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£368,000 Severn Trent Utilities Finance 4.625% 30/11/2034	340	0.08	
£353,000 Severn Trent Utilities Finance 5.25% 04/04/2036	344	0.08	
£1,400,000 Société Générale 1.25% 07/12/2027	1,176	0.27	
£1,422,000 SP Transmission 2% 13/11/2031	1,149	0.27	
£1,384,000 Swedbank Var. Rate 7.272% 15/11/2032	1,390	0.32	
£1,000,000 Telefónica Emisiones 5.375% 02/02/2026	997	0.23	
£1,500,000 Tesco Corporate Treasury Services 1.875% 02/11/2028	1,272	0.29	
£101,000 Tesco Corporate Treasury Services 2.5% 02/05/2025	97	0.02	
£422,000 Thames Water Utilities Finance 1.875% 24/01/2024	418	0.10	
£466,000 Thames Water Utilities Finance 5.125% 28/09/2037	394	0.09	
£1,005,000 UNITE 3.5% 15/10/2028	915	0.21	
£1,820,000 United Utilities Water Finance 2% 14/02/2025	1,744	0.40	
£998,000 Virgin Money Var. Rate 3.375% 24/04/2026	943	0.22	
£2,000,000 Volkswagen Financial Services 6.5% 18/09/2027	2,029	0.47	
£220,000 Wessex Water Services Finance 5.125% 31/10/2032	209	0.05	
£2,530,000 Westfield America Management 2.125% 30/03/2025	2,390	0.55	
£1,500,000 Yorkshire Building Society Var. Rate 7.375% 12/09/2027	1,523	0.35	
'BB' credit rated bonds	1,302	0.30	0.44
£1,390,000 Rolls-Royce 3.375% 18/06/2026	1,302	0.30	
Total portfolio	432,254	99.90	100.45
Net other assets/(liabilities)	448	0.10	(0.45)
Net assets attributable to shareholders	432,702	100.00	100.00

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

^a AIM quoted.

^b Suspended/delisted.

Portfolio statement

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

Largest purchases	£'000
British American Tobacco	2,777
PageGroup	2,675
Hargreaves Lansdown	2,509
HSBC	2,441
Taylor Wimpey	2,272
Pennon	2,054
Volkswagen Financial Services 6.5% 18/09/2027	1,998
Kenmare Resources	1,872
UK Treasury 1% 22/04/2024	1,725
Mercedes Benz International Finance 5.625% 17/08/2026	1,499
Other purchases	23,985
Total purchases	45,807

Largest sales	£'000
BP	2,878
SSE	2,866
Volkswagen Financial Services 1.125% 18/09/2023	2,700
Close Brothers	2,594
BHP	2,269
Vistry	2,265
Coventry Building Society 1.875% 24/10/2023	2,000
Nordea Eiendoms kreditt FRN 4.7091% 19/06/2023	1,997
Vodafone	1,991
Wells Fargo Bank 5.25% 01/08/2023	1,950
Other sales	27,830
Total sales	51,340

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+1.4	+4.8	+2.8	+3.9
Class 'A' Accumulation	+1.4	+4.8	+2.8	+3.9
Class 'C' Income	+1.8	+5.8	+3.8	+4.9
Class 'I' Income	+1.6	+5.2	+3.3	+4.4
Class 'I' Accumulation	+1.6	+5.2	+3.3	+4.4
Class 'R' Income	+1.5	+4.9	+3.0	+4.1
Class 'R' Accumulation	+1.4	+4.9	+3.0	+4.1
Benchmark	+1.7	+2.8	+2.8	+4.1

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 19 November 1973.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	655.47	727.33	722.55
Return before operating charges	12.15	(25.33)	48.34
Operating charges	(3.74)	(7.90)	(8.12)
Return after operating charges	8.41	(33.23)	40.22
Distributions	(13.20)	(38.63)	(35.44)
Closing NAV	650.68	655.47	727.33
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.27	0.33	0.29
Dilution adjustments	(0.05)	(0.08)	(0.08)
Total direct transaction costs	0.22	0.25	0.21
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.04	0.03
Operating charges	1.14	1.14	1.10
Return after charges	+1.28	-4.57	+5.57
Other information			
Closing NAV (£'000)	109,337	117,952	124,181
Number of shares	16,803,453	17,995,072	17,073,485
Highest share price (UK p)	672.90	729.20	755.86
Lowest share price (UK p)	635.42	638.18	683.12

Sterling Class 'A' Accumulation share performance

The share class was launched on 19 November 1973.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	7,785.89	8,165.32	7,728.60
Return before operating charges	144.74	(289.44)	524.72
Operating charges	(44.64)	(89.99)	(88.00)
Return after operating charges	100.10	(379.43)	436.72
Distributions	(130.12)	(355.13)	(298.66)
Retained distributions	130.12	355.13	298.66
Closing NAV	7,885.99	7,785.89	8,165.32
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	3.28	3.80	3.16
Dilution adjustments	(0.63)	(0.86)	(0.85)
Total direct transaction costs	2.65	2.94	2.31
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.04	0.03
Operating charges	1.14	1.14	1.10
Return after charges	+1.29	-4.65	+5.65
Other information			
Closing NAV (£'000)	21,567	22,346	21,241
Number of shares	273,481	287,008	260,142
Highest share price (UK p)	8,018.91	8,343.35	8,231.52
Lowest share price (UK p)	7,547.56	7,233.78	7,507.57

Financial highlights

Sterling Class 'C' Income share performance

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

The share class was launched on 1 December 2005.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	792.93	870.48	855.39
Return before operating charges	13.63	(32.17)	56.19
Operating charges	(0.17)	(0.31)	0.00
Return after operating charges	13.46	(32.48)	56.19
Distributions	(15.43)	(45.07)	(41.10)
Closing NAV	790.96	792.93	870.48
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.33	0.40	0.35
Dilution adjustments	(0.06)	(0.09)	(0.09)
Total direct transaction costs	0.27	0.31	0.26
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.04	0.03
Operating charges	0.04	0.04	0.00
Return after charges	+1.70	-3.73	+6.57
Other information			
Closing NAV (£'000)	51,938	50,418	57,344
Number of shares	6,566,508	6,358,396	6,587,660
Highest share price (UK p)	815.15	878.85	901.07
Lowest share price (UK p)	769.29	766.53	815.39

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	1,095.60	1,211.32	1,198.82
Return before operating charges	20.00	(42.71)	79.99
Operating charges	(4.07)	(8.55)	(8.58)
Return after operating charges	15.93	(51.26)	71.41
Distributions	(22.05)	(64.46)	(58.91)
Closing NAV	1,089.48	1,095.60	1,211.32
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.46	0.56	0.48
Dilution adjustments	(0.09)	(0.13)	(0.13)
Total direct transaction costs	0.37	0.43	0.35
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.04	0.03
Operating charges	0.74	0.74	0.70
Return after charges	+1.45	-4.23	+5.96
Other information			
Closing NAV (£'000)	70,247	62,990	71,415
Number of shares	6,447,739	5,749,297	5,895,624
Highest share price (UK p)	1,125.42	1,217.64	1,257.19
Lowest share price (UK p)	1,062.47	1,064.28	1,136.57

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	1,814.83	1,896.35	1,788.15
Return before operating charges	33.33	(67.96)	121.18
Operating charges	(6.77)	(13.56)	(12.98)
Return after operating charges	26.56	(81.52)	108.20
Distributions	(32.45)	(89.34)	(76.19)
Retained distributions	32.45	89.34	76.19
Closing NAV	1,841.39	1,814.83	1,896.35
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.76	0.88	0.73
Dilution adjustments	(0.15)	(0.20)	(0.20)
Total direct transaction costs	0.61	0.68	0.53
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.04	0.03
Operating charges	0.74	0.74	0.70
Return after charges	+1.46	-4.30	+6.05
Other information			
Closing NAV (£'000)	20,905	20,522	22,500
Number of shares	1,135,283	1,130,792	1,186,511
Highest share price (UK p)	1,871.18	1,942.87	1,909.57
Lowest share price (UK p)	1,759.93	1,682.30	1,742.05

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	106.69	118.24	117.31
Return before operating charges	1.95	(4.15)	7.83
Operating charges	(0.53)	(1.12)	(1.14)
Return after operating charges	1.42	(5.27)	6.69
Distributions	(2.15)	(6.28)	(5.76)
Closing NAV	105.96	106.69	118.24
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.04	0.05	0.05
Dilution adjustments	(0.01)	(0.01)	(0.01)
Total direct transaction costs	0.03	0.04	0.04
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.04	0.03
Operating charges	0.99	0.99	0.95
Return after charges	+1.33	-4.46	+5.70
Other information			
Closing NAV (£'000)	137,449	144,964	168,960
Number of shares	129,713,061	135,877,048	142,892,526
Highest share price (UK p)	109.55	118.65	122.83
Lowest share price (UK p)	103.44	103.80	111.02

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	176.86	185.25	175.12
Return before operating charges	3.25	(6.62)	11.85
Operating charges	(0.88)	(1.77)	(1.72)
Return after operating charges	2.37	(8.39)	10.13
Distributions	(3.02)	(8.28)	(7.00)
Retained distributions	3.02	8.28	7.00
Closing NAV	179.23	176.86	185.25
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.07	0.09	0.07
Dilution adjustments	(0.01)	(0.02)	(0.02)
Total direct transaction costs	0.06	0.07	0.05
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.04	0.03
Operating charges	0.99	0.99	0.95
Return after charges	+1.34	-4.53	+5.78
Other information			
Closing NAV (£'000)	21,259	22,245	22,022
Number of shares	11,861,239	12,578,303	11,887,286
Highest share price (UK p)	182.21	189.46	186.68
Lowest share price (UK p)	171.46	164.19	170.28

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		(5,765)		(24,415)
Revenue	13,529		14,415	
Expenses	(1,824)		(2,015)	
Interest payable and similar charges	(12)		(6)	
Net revenue/(expense) before taxation	11,693		12,394	
Taxation	(73)		(33)	
Net revenue/(expense) after taxation		11,620		12,361
Total return before distributions		5,855		(12,054)
Distributions		(8,668)		(8,986)
Change in net assets attributable to shareholders from investment activities		(2,813)		(21,040)

Statement of change in net assets attributable to shareholders

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		441,437		506,400
Amounts received on issue of shares	21,622		9,660	
Amounts paid on cancellation of shares	(28,801)		(17,061)	
		(7,179)		(7,401)
Dilution adjustments		89		75
Change in net assets attributable to shareholders from investment activities (see above)		(2,813)		(21,040)
Retained distributions on Accumulation shares		1,090		1,055
Unclaimed distributions		78		38
Closing net assets attributable to shareholders		432,702		479,127

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

Financial statements and notes

Financial statements

Balance sheet

as at	30 November 2023 £'000	31 May 2023 £'000
Assets		
Fixed assets		
Investments	432,254	443,409
Current assets		
Debtors	4,646	3,742
Cash and bank balances	0	729
Cash equivalents	0	6,012
Total assets	436,900	453,892
Liabilities		
Creditors		
Bank overdrafts	(9)	0
Distribution payable	(3,720)	(10,757)
Other creditors	(469)	(1,698)
Total liabilities	(4,198)	(12,455)
Net assets attributable to shareholders	432,702	441,437

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

In order to conduct a controlled dividend flow to shareholders, interim distributions will be at the fund manager's discretion, up to the maximum of the distributable income available for the period.

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 6 March 2023 has been used.

Investment objective

The fund has two aims:

- To provide a higher total return (capital growth plus income), net of the ongoing charge figure, than the FTSE All-Share Index over any five-year period; and
- To invest in companies that contribute towards the Paris Agreement climate change goal.

Investment policy

At least 80% of the fund is invested directly in equities and equity related securities of companies, across any sector and of any size, that are incorporated, domiciled or do most of their business, in the United Kingdom. The fund is concentrated and usually holds shares in fewer than 50 companies.

The fund invests in securities that meet the ESG Criteria and Sustainability Criteria.

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 Sustainability Criteria document.

References to "assessed" above mean assessment in accordance with the ESG Criteria and Sustainability

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 for M&G Investment Funds (2).

The fund may also invest in other transferable securities, money market instruments, cash and near cash for liquidity purposes, directly and via collective investment schemes (including funds managed by M&G).

Derivatives may be used for efficient portfolio management and hedging.

As explained in the ESG Criteria and Sustainability Criteria document, it may not be practicable to perform ESG analysis on cash, near cash, some derivatives and some collective investment schemes, to the same standards as for the other investments. The fund manager will assess the suitability of such instruments relative to the fund's investment objective.

Investment approach

The fund employs a disciplined bottom up stock picking approach to analyse companies for their potential to deliver sustainable growth. Relevant factors include high returns, robust competitive advantages, balanced capital allocation and an ESG aligned culture. The fund also looks for favourable exposure to sustainable growth themes that are aligned to a lower carbon, healthier, more equal and connected future.

The fund invests in companies which contribute towards the long-term global warming objectives of the Paris Agreement by their low carbon intensity and/or a reducing carbon intensity or (typically up to a cumulative limit of 10% of NAV) delivering solutions to the challenge of climate change (as further described in the ESG Criteria and Sustainability Criteria). Low carbon intensity means a carbon intensity lower than 50% of the FTSE All-Share Index. Reducing carbon intensity means having science based targets aligned with the Paris Agreement or a commitment to have them in place within a defined time period. The fund will

Authorised Corporate Director's Report

typically have a weighted average carbon intensity of less than half that of the FTSE All-Share index.

Sustainability and ESG considerations are fully integrated into the investment process.

ESG Information

Additional information is available to investors on the fund page of our M&G website:

- ESG Criteria and Sustainability Criteria: in the document titled "M&G UK Sustain Paris Aligned Fund – ESG Criteria and Sustainability Criteria" which includes the fund's exclusions approach.
- An annual ESG review providing an assessment of the non-financial objective of the fund will also be published when available.

Benchmark

Benchmark: FTSE All-Share Index.

The benchmark is the target for the fund's financial objective and is used to measure the fund's financial performance. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy.

The benchmark is also used to define a low Carbon Intensity Company. The fund manager considers the fund's weighted average carbon intensity against the benchmark when constructing the portfolio, but the benchmark does not otherwise constrain portfolio construction.

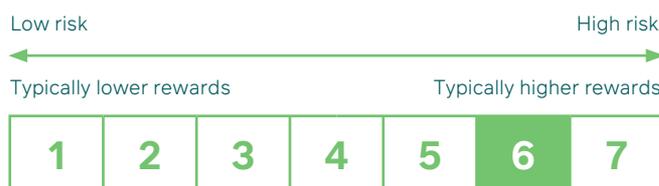
The fund is actively managed and within given constraints, the fund manager has freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents and as a result the fund's performance may deviate materially from the benchmark.

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

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 30 November 2023

Performance against objective

Over the reporting period, the M&G UK Sustain Paris Aligned Fund delivered negative total returns (the combination of income and growth of capital) across all its sterling share classes. The fund underperformed its benchmark, the FTSE All-Share Index, which posted 1.6% over the same period.

Over five years, the fund had a positive annualised total return across all its share classes but did not meet its objective of delivering a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than the FTSE All-Share Index, which returned 4.9% pa over this 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.

Authorised Corporate Director's Report

Performance review

The review period was dominated by concerns around the impact of higher interest rates to combat ongoing inflation. Similarly to other major central banks, the Bank of England hiked interest rates in May, June and August before a moderation in inflation data, combined with a deterioration in economic activity, led to rates being held at 5.25% for the remainder of the period. November was seen as a pivotal month regarding the outlook for interest rates due to several undershoots in global inflation data, combined with a cooling in the US economy. This led to a rebound across the board, edging the UK market into positive territory. Performance lagged other major regions, however, on lacklustre domestic growth and sticky inflation. Technology was the best performing UK market sector over the review period, followed by energy – although oil prices retreated in the latter months. In contrast, companies in the healthcare and telecommunications sectors were weak.

Against this backdrop, the fund fell into negative territory, underperforming its benchmark. Both sector allocation and stock selection detracted from relative performance. The fund's underweight exposure to the energy sector, which is primarily due to its sustainability exclusions, was the largest negative. Meanwhile, the above-benchmark positioning in healthcare companies was also a hindrance. Conversely, the fund's overweight exposure to technology made a positive contribution, although stock selection here was disappointing, partly due to our off-benchmark position in IQE. Elsewhere, stock picking in consumer discretionary was beneficial due to positions in Games Workshop and Victorian Plumbing, as was our lack of exposure to the telecommunications sector.

At the individual stock level, top contributors included our off-benchmark position in French naval engineering group, GTT, which rallied on the news that the company had entered a service agreement with a major Chinese ship builder. Ascential, a UK digital commerce-focused analytics company, also performed well following the agreement to sell two of its businesses and its special dividend proposal. Meanwhile, Shell, which is the FTSE

All Share's largest constituent and excluded from the fund on sustainability grounds, was the largest detractor. Our off-benchmark position in biotech firm Oxford Nanopore Technologies also worked against us as the company reported a fall in profits compared to the previous year.

Investment activities

We made several portfolio changes during the period. Within our real estate-related exposure, we closed positions in housebuilders Vistry and Watkin Jones, the latter being a student accommodation and affordable property developer that had suffered a larger-than-anticipated slowdown in purchases from institutional investors due to tighter monetary conditions. We subsequently increased our holding in Segro, a commercial property company focusing on modern warehouses and industrial buildings, which we believe is underpinned by supportive long-term trends and an attractive valuation relative to overseas-listed peers. We also opened positions in Savills, a leading global property adviser, and Mortgage Advice Bureau, a leading UK mortgage broker that continues to increase its market share and is positively supported by increasing regulation, a good balance sheet and strong sustainability characteristics. In addition to positive fundamentals, we believe these companies should eventually benefit from released pent-up demand once financial conditions ease.

In the technology space, we added a holding in Darktrace, which has developed a highly differentiated cybersecurity offering to complement, rather than compete with, other providers. Meanwhile, in industrials, we bought discoverIE, an electronic component designer and manufacturer that had been on our watchlist for some time, after its share price fell to an attractive level. And in financials, we exited our holding in wealth manager St. James's Place due to our reduced conviction in the firm's prospects and bought a position in insurance provider Beazley, which we believe has reached an inflection point after a tough period due to the inflationary environment.

Shortly prior to the review period, we initiated a holding in global pharmaceutical company GSK. In our view, the

Authorised Corporate Director's Report

firm's valuation had become more compelling following balance sheet improvements and increased research and development investment over the last few years. We see parallels with our original investment thesis for AstraZeneca, which we bought several years ago and has been a highly successful position for the fund.

Outlook

We aim to identify companies directly contributing to the Paris Agreement, which means we take a detailed, bottom-up approach to measuring the sustainability impact of our holdings. We believe this is more likely to lead to positive real-world outcomes than top-down strategies, which can achieve lower carbon intensities simply via adjusting portfolio allocations. During the period we produced an annual sustainability report to update our investors on how we measure the sustainability of our portfolio and hold companies in the portfolio accountable through engagement.

The fund's relative performance continues to be influenced by the same style factors that have proven to be a headwind over the past two years, as value-oriented companies have continued to outperform quality outside the US. However, from a forward-looking perspective, we have started to see positive developments, including the introduction of a favourable UK offshore wind pricing regime, a comprehensive new UK hydrogen strategy and the publication of the Financial Conduct Authority's much-anticipated Sustainability Disclosure Requirements (SDR). We retain our conviction that investing in the highest-quality companies, specifically those taking action now to adapt to the inevitable challenges of climate change, will ultimately deliver the best value for investors over the longer term.

Rory Alexander

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 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities	407,849	96.79	95.61
Software & computer services	18,949	4.50	4.07
3,060,653 Ascential	8,466	2.01	
1,593,538 Bytes Technology	8,756	2.08	
494,442 Darktrace	1,727	0.41	
Technology hardware & equipment	5,541	1.32	1.10
26,449,931 IQE ^a	5,541	1.32	
Medical equipment & services	8,544	2.03	2.15
36,602 Stryker	8,544	2.03	
Pharmaceuticals & biotechnology	60,814	14.43	14.02
328,386 AstraZeneca	32,832	7.79	
1,190,955 GSK	16,876	4.00	
1,281,025 HUTCHMED ^a	3,913	0.93	
3,736,667 Oxford Nanopore Technologies	7,193	1.71	
Banks	37,349	8.86	9.09
4,789,497 HSBC	28,766	6.82	
1,322,930 Standard Chartered	8,583	2.04	
36,725 SVB Financial ^b	0	0.00	
Finance & credit services	18,677	4.43	3.91
197,479 London Stock Exchange	17,595	4.17	
158,120 Mortgage Advice Bureau ^a	1,082	0.26	
Investment banking & brokerage services	28,428	6.75	7.94
1,005,634 Burford Capital ^a	10,730	2.55	
3,641,601 IntegraFin	9,345	2.22	
3,943,928 Man	8,353	1.98	
Life insurance	8,521	2.02	1.98
1,249,800 AIA	8,521	2.02	
Non-life insurance	1,681	0.40	0.00
307,094 Beazley	1,681	0.40	
Real estate investment & services	1,570	0.37	0.00
193,141 Savills	1,570	0.37	
Real estate investment trusts	9,928	2.36	0.77
1,211,330 Segro	9,928	2.36	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Household goods & home construction			
1,370,398 Taylor Wimpey	1,775	0.42	1.14
Leisure goods			
79,060 Games Workshop	8,483	2.01	2.28
Retailers			
552,586 ASOS	2,135	0.51	1.65
8,304,804 Victorian Plumbing ^a	7,366	1.75	
Travel & leisure			
3,906,438 Hollywood Bowl	10,586	2.51	2.62
Beverages			
669,445 Diageo	18,524	4.40	7.53
703,903 Fevertree Drinks ^a	7,419	1.76	
Food producers			
257,806 Cranswick	10,054	2.39	2.38
Personal care, drug & grocery stores			
295,043 Reckitt Benckiser	15,956	3.78	10.39
672,112 Unilever	25,231	5.99	
Construction & materials			
1,642,812 Genuit	5,405	1.28	1.19
Electronic & electrical equipment			
787,810 discoverIE	4,940	1.17	2.16
1,814,158 Rotork	5,551	1.32	
General industrials			
11,621,038 Coats	7,600	1.80	1.54
Industrial engineering			
101,690 Spirax-Sarco Engineering	9,400	2.23	3.66
491,691 Weir	9,293	2.21	
Industrial support services			
490,499 Experian	14,239	3.38	7.37
1,158,274 FDM	4,570	1.08	
262,770 Intertek	10,461	2.48	
72,551 PageGroup	327	0.08	

Portfolio statement

Investments (continued)

Holding	as at 30.11.23 £'000	as at 30.11.23 %	as at 31.05.23 %
Equities (continued)			
Industrial transportation	8,586	2.04	1.92
288,107 Clarkson	8,586	2.04	
Chemicals	6,718	1.59	1.52
448,747 Victrex	6,718	1.59	
Oil & gas	8,903	2.11	1.99
82,602 Gaztransport Technigaz	8,903	2.11	
Alternative energy	4,325	1.03	1.24
2,016,987 Ceres Power	3,750	0.89	
1,095,646 ITM Power ^a	575	0.14	
Total portfolio	407,849	96.79	95.61
Net other assets/(liabilities)	13,534	3.21	4.39
Net assets attributable to shareholders	421,383	100.00	100.00

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

^a AIM quoted.

^b Suspended.

Portfolio statement

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

Largest purchases	£'000
Segro	5,946
discoverIE	5,006
AstraZeneca	4,934
Spirax-Sarco Engineering	3,753
IntegraFin	2,216
FDM	1,969
Darktrace	1,747
Taylor Wimpey	1,730
Savills	1,715
Beazley	1,707
Other purchases	11,649
Total purchases	42,372

Largest sales	£'000
St. James's Place	5,536
Rotork	3,437
Vistry	3,112
Games Workshop	2,799
Ascential	2,392
Gaztransport Technigaz	2,219
Cranswick	2,020
HSBC	1,926
Bytes Technology	1,645
Stryker	1,248
Other sales	3,539
Total sales	29,873

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	-2.7	-2.0	+1.6	+2.4
Class 'A' Accumulation	-2.7	-2.0	+1.6	+2.4
Class 'C' Income	-2.1	-1.1	+3.4	+4.5
Class 'I' Income	-2.5	-1.6	+2.1	+3.0
Class 'I' Accumulation	-2.5	-1.6	+2.1	+3.0
Class 'PP' Income	-2.4	n/a	n/a	n/a
Class 'PP' Accumulation	-2.4	n/a	n/a	n/a
Class 'R' Income	-2.6	-1.8	+1.9	+2.7
Class 'R' Accumulation	-2.6	-1.8	+1.9	+2.7
Benchmark	+1.6	+8.4	+4.9	+5.1

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income share performance

The share class was launched on 19 October 1982.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	2,716.93	2,882.52	3,267.29
Return before operating charges	(57.20)	(60.35)	(285.69)
Operating charges	(14.91)	(30.30)	(35.14)
Return after operating charges	(72.11)	(90.65)	(320.83)
Distributions	(20.00)	(74.94)	(63.94)
Closing NAV	2,624.82	2,716.93	2,882.52
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	1.39	2.53	2.57
Dilution adjustments	(0.56)	(0.22)	(0.80)
Total direct transaction costs	0.83	2.31	1.77
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.08	0.05
Operating charges	1.11	1.10	1.10
Return after charges	-2.65	-3.14	-9.82
Other information			
Closing NAV (£'000)	202,080	196,533	216,475
Number of shares	7,698,797	7,233,658	7,509,954
Highest share price (UK p)	2,769.91	2,942.89	3,425.15
Lowest share price (UK p)	2,521.78	2,470.84	2,721.96

Sterling Class 'A' Accumulation share performance

The share class was launched on 17 December 1968.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	4,828.45	4,985.27	5,531.54
Return before operating charges	(101.62)	(104.24)	(486.56)
Operating charges	(26.50)	(52.58)	(59.71)
Return after operating charges	(128.12)	(156.82)	(546.27)
Distributions	(20.51)	(77.58)	(48.92)
Retained distributions	20.51	77.58	48.92
Closing NAV	4,700.33	4,828.45	4,985.27
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	2.48	4.39	4.37
Dilution adjustments	(0.99)	(0.39)	(1.36)
Total direct transaction costs	1.49	4.00	3.01
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.08	0.05
Operating charges	1.11	1.10	1.10
Return after charges	-2.65	-3.15	-9.88
Other information			
Closing NAV (£'000)	127,100	139,216	160,904
Number of shares	2,704,070	2,883,240	3,227,608
Highest share price (UK p)	4,922.62	5,126.34	5,798.22
Lowest share price (UK p)	4,481.66	4,273.19	4,636.91

Financial highlights

Sterling Class 'C' Income share performance

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

The share class was launched on 13 March 2013.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	2,965.92	3,112.00	3,488.23
Return before operating charges	(62.57)	(64.65)	(307.53)
Operating charges	(0.22)	0.00	0.00
Return after operating charges	(62.79)	(64.65)	(307.53)
Distributions	(21.89)	(81.43)	(68.70)
Closing NAV	2,881.24	2,965.92	3,112.00
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	1.53	2.74	2.76
Dilution adjustments	(0.61)	(0.24)	(0.86)
Total direct transaction costs	0.92	2.50	1.90
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.08	0.05
Operating charges	0.01	0.00	0.00
Return after charges	-2.12	-2.08	-8.82
Other information			
Closing NAV (£'000)	10,237	11,158	12,328
Number of shares	355,302	376,202	396,133
Highest share price (UK p)	3,029.30	3,201.66	3,667.92
Lowest share price (UK p)	2,765.25	2,678.44	2,931.01

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	1,375.23	1,453.18	1,640.48
Return before operating charges	(28.97)	(30.34)	(143.85)
Operating charges	(4.85)	(9.74)	(11.27)
Return after operating charges	(33.82)	(40.08)	(155.12)
Distributions	(10.13)	(37.87)	(32.18)
Closing NAV	1,331.28	1,375.23	1,453.18
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.71	1.28	1.30
Dilution adjustments	(0.28)	(0.11)	(0.40)
Total direct transaction costs	0.43	1.17	0.90
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.08	0.05
Operating charges	0.71	0.70	0.70
Return after charges	-2.46	-2.76	-9.46
Other information			
Closing NAV (£'000)	21,054	19,505	23,276
Number of shares	1,581,523	1,418,283	1,601,721
Highest share price (UK p)	1,402.98	1,487.76	1,721.64
Lowest share price (UK p)	1,278.53	1,247.48	1,370.94

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	1,785.37	1,836.00	2,028.98
Return before operating charges	(37.60)	(38.29)	(179.00)
Operating charges	(6.29)	(12.34)	(13.98)
Return after operating charges	(43.89)	(50.63)	(192.98)
Distributions	(9.61)	(35.71)	(25.97)
Retained distributions	9.61	35.71	25.97
Closing NAV	1,741.48	1,785.37	1,836.00
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.92	1.62	1.61
Dilution adjustments	(0.37)	(0.14)	(0.50)
Total direct transaction costs	0.55	1.48	1.11
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.08	0.05
Operating charges	0.71	0.70	0.70
Return after charges	-2.46	-2.76	-9.51
Other information			
Closing NAV (£'000)	32,073	31,245	38,026
Number of shares	1,841,704	1,750,034	2,071,119
Highest share price (UK p)	1,821.41	1,893.22	2,129.15
Lowest share price (UK p)	1,659.85	1,576.09	1,706.12

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 19 February 2021.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	88.42	93.29	105.16
Return before operating charges	(1.86)	(1.95)	(9.30)
Operating charges	(0.25)	(0.49)	(0.51)
Return after operating charges	(2.11)	(2.44)	(9.81)
Distributions	(0.65)	(2.43)	(2.06)
Closing NAV	85.66	88.42	93.29
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.05	0.08	0.07
Dilution adjustments	(0.02)	(0.01)	(0.02)
Total direct transaction costs	0.03	0.07	0.05
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.08	0.05
Operating charges	0.56	0.55	0.55
Return after charges	-2.39	-2.62	-9.33
Other information			
Closing NAV (£'000)	1,709	1,819	1,544
Number of shares	1,995,010	2,057,010	1,655,010
Highest share price (UK p)	90.23	95.61	110.41
Lowest share price (UK p)	82.25	80.13	87.98

Sterling Class 'PP' Accumulation share performance

The share class was launched on 19 February 2021.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	93.67	96.18	106.13
Return before operating charges	(1.98)	(2.00)	(9.43)
Operating charges	(0.26)	(0.51)	(0.52)
Return after operating charges	(2.24)	(2.51)	(9.95)
Distributions	(0.54)	(2.01)	(1.51)
Retained distributions	0.54	2.01	1.51
Closing NAV	91.43	93.67	96.18
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.05	0.09	0.08
Dilution adjustments	(0.02)	(0.01)	(0.02)
Total direct transaction costs	0.03	0.08	0.06
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.08	0.05
Operating charges	0.56	0.55	0.55
Return after charges	-2.39	-2.61	-9.38
Other information			
Closing NAV (£'000)	2,359	2,564	1,712
Number of shares	2,580,517	2,737,474	1,780,000
Highest share price (UK p)	95.58	99.28	111.42
Lowest share price (UK p)	87.14	82.61	89.34

Financial highlights

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	135.20	143.22	162.09
Return before operating charges	(2.85)	(2.99)	(14.19)
Operating charges	(0.64)	(1.30)	(1.51)
Return after operating charges	(3.49)	(4.29)	(15.70)
Distributions	(1.00)	(3.73)	(3.17)
Closing NAV	130.71	135.20	143.22
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.07	0.13	0.13
Dilution adjustments	(0.03)	(0.01)	(0.04)
Total direct transaction costs	0.04	0.12	0.09
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.08	0.05
Operating charges	0.96	0.95	0.95
Return after charges	-2.58	-3.00	-9.69
Other information			
Closing NAV (£'000)	4,545	5,125	5,576
Number of shares	3,476,927	3,790,880	3,892,995
Highest share price (UK p)	137.87	146.37	169.99
Lowest share price (UK p)	125.56	122.83	135.20

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.11.23 UK p	Year to 31.05.23 UK p	Year to 31.05.22 UK p
Opening NAV	173.71	179.08	198.41
Return before operating charges	(3.65)	(3.74)	(17.48)
Operating charges	(0.83)	(1.63)	(1.85)
Return after operating charges	(4.48)	(5.37)	(19.33)
Distributions	(0.81)	(3.05)	(2.05)
Retained distributions	0.81	3.05	2.05
Closing NAV	169.23	173.71	179.08
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.09	0.16	0.16
Dilution adjustments	(0.04)	(0.01)	(0.05)
Total direct transaction costs	0.05	0.15	0.11
Performance and charges	%	%	%
Direct portfolio transaction costs	0.06	0.08	0.05
Operating charges	0.96	0.95	0.95
Return after charges	-2.58	-3.00	-9.74
Other information			
Closing NAV (£'000)	20,226	21,717	22,982
Number of shares	11,951,707	12,501,707	12,832,916
Highest share price (UK p)	177.14	184.34	208.06
Lowest share price (UK p)	161.33	153.59	166.51

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		(14,706)		(22,699)
Revenue	5,391		4,548	
Expenses	(2,097)		(2,286)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	3,294		2,262	
Taxation	(7)		(18)	
Net revenue/(expense) after taxation		3,287		2,244
Total return before distributions		(11,419)		(20,455)
Distributions		(2,526)		(2,626)
Change in net assets attributable to shareholders from investment activities		(13,945)		(23,081)

Statement of change in net assets attributable to shareholders

for the six months to 30 November	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		428,882		490,472
Amounts received on issue of shares	28,868		2,770	
Amounts paid on cancellation of shares	(23,440)		(24,571)	
		5,428		(21,801)
Dilution adjustments		142		36
Change in net assets attributable to shareholders from investment activities (see above)		(13,945)		(23,081)
Retained distributions on Accumulation shares		843		733
Unclaimed distributions		33		18
Closing net assets attributable to shareholders		421,383		446,377

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

Financial statements and notes

Financial statements

Balance sheet

as at	30 November 2023 £'000	31 May 2023 £'000
Assets		
Fixed assets		
Investments	407,849	410,062
Current assets		
Debtors	972	4,356
Cash and bank balances	155	8
Cash equivalents	14,873	19,882
Total assets	423,849	434,308
Liabilities		
Creditors		
Distribution payable	(1,825)	(4,733)
Other creditors	(641)	(693)
Total liabilities	(2,466)	(5,426)
Net assets attributable to shareholders	421,383	428,882

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

In order to conduct a controlled dividend flow to shareholders, interim distributions will be at the fund manager's discretion, up to the maximum of the distributable income available for the period.

In determining the amount available for distribution, ordinary stock dividends have been transferred to capital, reducing the amount available.

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.

