



WS Prudential Investment Funds (1)

(Formerly LF Prudential Investment Funds (1))

Annual Report and Financial Statements
for the year ended 31 October 2023



WS Prudential Risk Managed Active 1
(Formerly LF Prudential Risk Managed Active 1)

WS Prudential Risk Managed Active 2
(Formerly LF Prudential Risk Managed Active 2)

WS Prudential Risk Managed Active 3
(Formerly LF Prudential Risk Managed Active 3)

WS Prudential Risk Managed Active 4
(Formerly LF Prudential Risk Managed Active 4)

WS Prudential Risk Managed Active 5
(Formerly LF Prudential Risk Managed Active 5)

WS Prudential Risk Managed Passive Fund 1
(Formerly LF Prudential Risk Managed Passive Fund 1)

WS Prudential Risk Managed Passive Fund 2
(Formerly LF Prudential Risk Managed Passive Fund 2)

WS Prudential Risk Managed Passive Fund 3
(Formerly LF Prudential Risk Managed Passive Fund 3)

WS Prudential Risk Managed Passive Fund 4
(Formerly LF Prudential Risk Managed Passive Fund 4)

WS Prudential Risk Managed Passive Fund 5
(Formerly LF Prudential Risk Managed Passive Fund 5)

AUTHORISED CORPORATE DIRECTOR ('ACD') AND ALTERNATIVE INVESTMENT FUND MANAGER (AIFM')

WAYSTONE MANAGEMENT (UK) LIMITED

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(Authorised and regulated by
the Financial Conduct Authority)

DIRECTORS OF THE ACD

A.M. Berry

V. Karalekas (appointed 14 July 2023)

T.K. Madigan*

K.J. Midl (appointed 9 October 2023)

C. O'Donnell (resigned 8 December 2022)

E.E. Tracey (appointed 9 October 2023)*

R.E. Wheeler

S.P. White*

PORTFOLIO MANAGER

M&G INVESTMENT MANAGEMENT LIMITED

10 Fenchurch Avenue

London EC3M 5AG

(Authorised and regulated by
the Financial Conduct Authority)

DEPOSITARY

to 30 November 2022:

NATWEST TRUSTEE AND DEPOSITARY SERVICES LIMITED

250 Bishopsgate

London EC2M 4AA

(Authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority
and Prudential Regulation Authority)

from 1 December 2022:

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

160 Queen Victoria Street

London EC4V 4LA

(Authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority
and Prudential Regulation Authority)

* Non-Executive Directors of the ACD.

CUSTODIAN AND FUND ACCOUNTANT

to 30 November 2022:

STATE STREET BANK AND TRUST COMPANY

20 Churchill Place

Canary Wharf

London E14 5HJ

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority)

from 1 December 2022:

**THE BANK OF NEW YORK MELLON
(INTERNATIONAL) LIMITED**

160 Queen Victoria Street

London EC4V 4LA

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority)

REGISTRAR

LINK FUND ADMINISTRATORS LIMITED

Customer Service Centre:

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Telephone: 0344 335 8936

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(Authorised and regulated by the Financial Conduct Authority)

INDEPENDENT AUDITOR

ERNST & YOUNG LLP

Atria One

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ACD'S REPORT

for the year ended 31 October 2023

Authorised Status

WS Prudential Investment Funds (1) ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC000508 and authorised by the Financial Conduct Authority with effect from 8 February 2007. The Company has an unlimited duration.

The Company is a Non-UCITS Retail Scheme and the base currency of the Company and each sub-fund is pounds sterling.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The AIFM is the legal person appointed on behalf of the Company and which (through this appointment) is responsible for managing the Company in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013. This role is performed by the ACD and references to the ACD in this Annual Report and Financial Statements include the AIFM as applicable.

ACD's Statement

Economic Uncertainty

Whilst the outbreak of COVID-19 in March 2020 now seems a distant memory, Russia's incursion into Ukraine in February 2022 remains an unresolved conflict, that has led to inflationary pressures globally. Add to this the recent Israeli-Hamas conflict and we are faced with consequences in both the domestic and global economy. Significant increases in the prices of energy and commodities have reverberated around the world, leading to many countries seeing inflation rates at levels not seen for many years. To curb the increase in inflation, many nations' central banks have, over recent times, been progressively increasing interest rates. It appears we may be close to the peak of interest rates as inflation appears, in most economies, to be heading in a downward trajectory. What is not clear at this time is whether the consequences of these events will culminate in local, or even a global, recession or whether a 'soft-landing' is attainable.

Important Information

With effect from 1 December 2022, the Depositary, Custodian, Fund Accountant and Tax Agent of the Company changed to The Bank of New York Mellon (International) Limited.

With effect from 7 March 2023, the Portfolio Manager changed its address to 10 Fenchurch Avenue, London EC3M 5AG.

ACD'S REPORT continued

Important Information continued

With effect from 9 October 2023, the following changes occurred:

- The ACD of the Company changed to Waystone Management (UK) Limited ('WMUK');
- In addition to the sub-fund name changes with 'WS' replacing 'LF', the Company name changed to WS Prudential Investment Funds (1);
- The head office and registered office of the Company changed to 2nd floor, 20-22 Bedford Row, Holborn, London WC1R 4EB; and
- The website for the publication of prices and obtaining documents of the Company changed to www.waystone.com.

Cross Holdings

No sub-funds had holdings in any other sub-fund of the Company at the end of the year.

Remuneration Disclosure

On 9 October 2023 the ACD of the Company changed. These report and accounts are being produced by the Company's current ACD and the disclosures below relate to the most recent period for which audited information in respect of the current ACD is available, being the year ended 31 December 2022.

Investors' attention is drawn to the following:

1. The remuneration arising in respect of the accounting period for which this report and accounts is being prepared related to the Company's previous ACD. We understand that the previous ACD discloses information in respect of that remuneration on its website.
2. The change of ACD was part of a wider corporate transaction whereby substantially all the previous ACD's funds were transferred to the current ACD. As a result circa £83 billion of funds under management were transferred to the current ACD. The effects of this transaction in terms of remuneration will be reported to investors in due course once more recent audited accounts for the current ACD are available.

REMUNERATION

The ACD is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the Directive.

ACD'S REPORT continued

Remuneration Disclosure continued

The fixed remuneration paid by the ACD to its staff in respect of all funds that it manages in the year ended 31 December 2022 was £823,929 and was shared amongst 12 members of staff (2021: £751,344; 12 members of staff). The fixed remuneration paid by the ACD to the Remuneration Code Staff for the year ended 31 December 2022 was £292,500, shared amongst 3 employees. All 12 ACD staff members were fully or partially involved in the activities of the Company. The ACD did not pay any variable remuneration. The ACD staff remuneration is established with reference to the market remuneration of each equivalent position and is not linked to the performance of the Company or any other alternative investment fund the ACD is the AIFM of. None of the ACD's staff actions had a material impact on the risk profile of the Company.

Securities Financing Transactions

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

Task Force on Climate-related Financial Disclosures ('TCFD')

In accordance with current Financial Conduct Authority rules, the ACD is required to publish its own TCFD report and that of each fund. The report can be found at TCFD Reporting (fundsolutions.net/tcfd-reporting) and the report of the sub-funds of the Company can be found at <https://www.fundsolutions.net/uk/m-g-prudential/ws-prudential-investment-funds-1/>.

Prior to accessing the report of the sub-funds of the Company there is a link to the 'TCFD Reporting Guide' which provides an explanation of the TCFD report.

Value Assessment

In accordance with current Financial Conduct Authority rules, the ACD is required to carry out an annual assessment on whether the Company provides value to investors. The outcome of the latest assessment is available on the ACD's website.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Investment Funds (1)
29 February 2024

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, as applicable, as issued and amended by the Financial Conduct Authority together with the relevant provisions of the Alternative Investment Fund Manager's Directive and modified by a direction given by the Financial Conduct Authority where the ACD has opted to provide a NURS KII Document, a Key Investor Information Document for Non-UCITS Retail Schemes.

K.J. MIDL

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Investment Funds (1)
29 February 2024

STATEMENT OF ACD'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority ('the COLL Sourcebook') and the Investment Funds Sourcebook (the 'FUND Sourcebook'), as applicable, requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company, comprising each of its sub-funds and of the net revenue/expense and net capital gains/losses on the property of the Company's sub-funds for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to wind up the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus, the COLL and FUND Sourcebook.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and, from 22 July 2014, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as summarised below.

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

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

The Depositary must ensure that:

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

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

REPORT OF THE DEPOSITARY

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

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

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Depositary of WS Prudential Investment Funds (1)
29 February 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WS PRUDENTIAL INVESTMENT FUNDS (1)

Opinion

We have audited the financial statements of WS Prudential Investment Funds (1) ('the Company') comprising each of its sub-funds for the year ended 31 October 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables for each sub-fund, and the accounting policies of the Company set out on pages 23 to 26, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for Opinion

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

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

Conclusions Relating to Going Concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WS PRUDENTIAL INVESTMENT FUNDS (1) continued

Other Information

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

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

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

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the 'FCA')

In our opinion:

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

Matters on Which We Are Required to Report by Exception

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WS PRUDENTIAL INVESTMENT FUNDS (1) continued

Responsibilities of the ACD

As explained more fully in the ACD's responsibilities statement set out on page 16, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Explanation as to What Extent the Audit Was Considered Capable of Detecting Irregularities, Including Fraud

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Association's Statement of Recommended Practice (IA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrator and a review of the Company's documented policies and procedures.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WS PRUDENTIAL INVESTMENT FUNDS (1) continued

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification for a sample of special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

Use of Our Report

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

ERNST & YOUNG LLP

Statutory Auditor
Edinburgh
29 February 2024

ACCOUNTING AND DISTRIBUTION POLICIES

for the year ended 31 October 2023

1. Accounting Policies

The principal accounting policies, which have been applied to the financial statements of the sub-funds in both the current and prior year, are set out below. These have been applied consistently across all sub-funds unless otherwise stated in the Notes to the Financial Statements of each sub-fund.

(A) BASIS OF ACCOUNTING

The financial statements of each sub-fund have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of each sub-fund's ability to continue as a going concern, and is satisfied they have the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering at least 12 months, and considers liquidity, declines in global capital markets, known redemption levels and key service provider's operational resilience. The ACD also considered each sub-fund's continued ability to meet ongoing costs, and is satisfied they have the resources to meet these costs and to continue in business.

(B) RECOGNITION OF REVENUE

Dividends on quoted equities are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Reportable income from funds with 'reporting fund' status for UK tax purposes is recognised when the information is made available by the reporting fund.

Revenue received from tax transparent funds is recognised when the information is made available by the reporting fund.

Rebates of Annual Management Charges (AMC rebates) from underlying investments are accounted for on an accruals basis and are recognised as revenue, or capital in line with the allocation of the Annual Management Charge between capital and revenue of the underlying investments.

The treatment of the income on derivative contracts is dependent upon the nature of the transaction. To determine whether the returns should be treated as capital or revenue the motive and circumstances of the transaction are used. Where positions are undertaken to protect or enhance capital, the returns are

ACCOUNTING AND DISTRIBUTION POLICIES continued

recognised in net capital gains; similarly where positions are taken to generate or protect revenue, the returns are included within net revenue before taxation. Where positions generate total returns it will generally be appropriate to apportion such returns between capital and revenue to properly reflect the nature of the transaction.

Interest on bank and other cash deposits is recognised on an accruals basis.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(C) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments, are charged initially against revenue.

Expenses incurred by tax transparent funds are recognised when the information is made available by the reporting fund.

(D) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE SHARE CLASSES AND SUB-FUNDS

Any revenue or expense not directly attributable to a particular share class or sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and sub-funds, unless a different allocation method is deemed more appropriate by the ACD.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

(E) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to corporation tax at 20% and any resulting charge is deducted from capital.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Taxation incurred by tax transparent funds is recognised when the information is made available by the reporting fund.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

ACCOUNTING AND DISTRIBUTION POLICIES continued

(F) BASIS OF VALUATION OF INVESTMENTS

All investments are valued at their fair value as at close of business on the last business day of the financial year.

Quoted investments are valued at fair value which generally is the bid price, excluding any accrued interest in the case of debt securities. Accrued interest on debt securities is included in revenue.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds. The value of revenue and expenses on tax transparent investments are recognised within the respective sub-fund and therefore excluded from the valuation price.

Structured products for which a price can only be obtained from the issuer are valued at the fair value per the issuer and the value is confirmed by an independent price provider by reference to the terms as defined in the term sheet of the structured product.

The market value of over the counter (OTC) derivatives is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions.

For investments for which there is no quoted price or for which the quoted price is unreliable, fair value is determined by the ACD, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

Futures contracts are valued at the unrealised gain or loss between the cost of entering the contract and its value at the balance sheet date.

(G) EXCHANGE RATES

The base and functional currency of the sub-funds is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rate prevailing at close of business on the last business day of the financial year.

(H) DILUTION LEVY

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property of a sub-fund is in continual decline; on a sub-fund experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the relevant sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

ACCOUNTING AND DISTRIBUTION POLICIES continued

(I) DIRECT TRANSACTION COSTS

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Debt security investments have no separately identifiable transaction costs as they form part of the dealing spread.

Indirect transaction costs may be incurred on transactions in underlying schemes but these do not form part of the direct transaction costs disclosures. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

2. Distribution Policies

Surplus revenue after expenses and taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion. Final distributions are made in accordance with the COLL Sourcebook.

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

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

WS PRUDENTIAL RISK MANAGED ACTIVE 1 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Active 1 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 9%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 9%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 0-35% shares sector.

The Fund's performance may be compared against the IA Mixed Investment 0-35% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Active 1
29 February 2024

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 2.28%, P (Acc) 2.51% and A (Acc) 2.28% produced returns ahead of the 0.94% sector average for the IA Mixed Investment 0-35% shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED ACTIVE 1 ACD'S REPORT continued PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G European Property Fund
- Apax Global Alpha Ltd
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- Legal & General Global Infrastructure Index Fund
- M&G (ACS) BlackRock Canada Index Fund
- M&G (ACS) Manulife US Equity Fund
- M&G (ACS) Matthews China Equity Fund
- M&G European Sustain Paris Aligned Equity Fund
- M&G (Lux) Sterling Liquidity Fund
- iShares UK Property UCITS ETF
- M&G (ACS) US Large Cap Equity Fund
- M&G (ACS) William Blair US Large Cap Equity Fund

The Fund exited:

- M&G North American Value Fund
- M&G Recovery Fund
- Round Hill Music Royalty Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

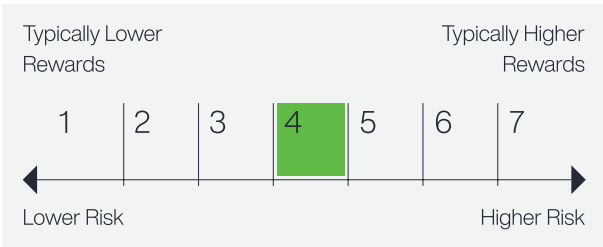
With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager
17 November 2023

WS PRUDENTIAL RISK MANAGED ACTIVE 1
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 1 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	148.17	170.84	158.89
Return before operating charges*	5.19	(21.33)	13.31
Operating charges	(1.36)	(1.34)	(1.36)
Return after operating charges	3.83	(22.67)	11.95
Distributions	(4.24)	(2.55)	(2.83)
Retained distributions on accumulation shares	4.24	2.55	2.83
Closing net asset value per share	152.00	148.17	170.84
* after direct transaction costs of:	–	0.01	0.02

PERFORMANCE

Return after charges	2.58%	(13.27)%	7.52%
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OTHER INFORMATION

Closing net asset value (£'000)	2,148	3,219	4,671
Closing number of shares	1,413,543	2,172,484	2,733,909
Operating charges	0.88%	0.82%	0.81%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	160.26	173.22	173.36
Lowest share price	148.19	145.85	159.27

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	124.82	146.44	138.52
Return before operating charges*	4.40	(18.29)	11.58
Operating charges	(1.15)	(1.15)	(1.19)
Return after operating charges	3.25	(19.44)	10.39
Distributions	(3.57)	(2.18)	(2.47)
Closing net asset value per share	124.50	124.82	146.44
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	2.60%	(13.27)%	7.50%
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OTHER INFORMATION

Closing net asset value (£'000)	507	581	821
Closing number of shares	407,618	465,760	560,464
Operating charges	0.88%	0.82%	0.81%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	135.03	148.56	151.18
Lowest share price	124.83	125.01	138.88

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	125.17	146.97	138.98
Return before operating charges*	4.40	(18.45)	11.67
Operating charges	(0.18)	(0.11)	(0.10)
Return after operating charges	4.22	(18.56)	11.57
Distributions	(4.57)	(3.24)	(3.58)
Closing net asset value per share	124.82	125.17	146.97
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.37%	(12.63)%	8.33%
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OTHER INFORMATION

Closing net asset value (£'000)	19,232	16,441	21,142
Closing number of shares	15,407,964	13,135,010	14,384,714
Operating charges	0.14%	0.08%	0.07%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	135.67	149.15	152.61
Lowest share price	125.18	126.36	139.34

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	125.15	143.95	133.53
Return before operating charges*	4.43	(18.02)	11.21
Operating charges	(0.83)	(0.78)	(0.79)
Return after operating charges	3.60	(18.80)	10.42
Distributions	(3.91)	(2.49)	(2.74)
Retained distributions on accumulation shares	3.91	2.49	2.74
Closing net asset value per share	128.75	125.15	143.95
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	2.88%	(13.06)%	7.80%
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OTHER INFORMATION

Closing net asset value (£'000)	68,981	70,024	90,391
Closing number of shares	53,577,217	55,949,844	62,795,324
Operating charges	0.63%	0.57%	0.56%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	135.49	146.04	146.08
Lowest share price	125.16	123.18	133.93

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	105.64	123.98	117.23
Return before operating charges*	3.76	(15.51)	9.85
Operating charges	(0.70)	(0.68)	(0.70)
Return after operating charges	3.06	(16.19)	9.15
Distributions	(3.30)	(2.15)	(2.40)
Closing net asset value per share	105.40	105.64	123.98
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	2.90%	(13.06)%	7.81%
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OTHER INFORMATION

Closing net asset value (£'000)	2,524	3,279	4,992
Closing number of shares	2,394,576	3,103,798	4,026,888
Operating charges	0.63%	0.57%	0.56%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	114.40	125.82	128.29
Lowest share price	105.65	106.09	117.59

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	135.35	156.05	145.13
Return before operating charges*	4.75	(19.49)	12.16
Operating charges	(1.24)	(1.21)	(1.24)
Return after operating charges	3.51	(20.70)	10.92
Distributions	(3.87)	(2.33)	(2.59)
Retained distributions on accumulation shares	3.87	2.33	2.59
Closing net asset value per share	138.86	135.35	156.05
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	2.59%	(13.26)%	7.52%
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OTHER INFORMATION

Closing net asset value (£'000)	7,470	9,717	13,836
Closing number of shares	5,379,277	7,178,722	8,866,433
Operating charges	0.88%	0.81%	0.81%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	146.40	158.25	158.37
Lowest share price	135.36	133.23	145.50

WS PRUDENTIAL RISK MANAGED ACTIVE 1
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Active 1	2.51	(4.03)	4.43
IA Mixed Investment 0-35% shares sector ¹	0.94	(4.19)	1.91

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 61 and 62.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED ACTIVE 1
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 13.61% (31.10.22 – 15.26%)		
	CONTINENTAL EUROPE – 1.65% (31.10.22 – 2.21%)		
431,965	M&G (Lux) Europe Ex UK Equity ¹	443	0.44
788,843	M&G (Lux) Europe Ex UK Equity NPV ¹	914	0.91
213,141	M&G (Lux) Pan European Smaller Companies ¹	161	0.16
134,372	M&G European Sustain Paris Aligned ¹	135	0.14
	TOTAL CONTINENTAL EUROPE	1,653	1.65
	UNITED KINGDOM – 4.08% (31.10.22 – 5.50%)		
1,201,458	M&G (ACS) BlackRock UK All Share Equity ¹	1,208	1.20
1,712,260	M&G (ACS) UK 200 Index ¹	1,705	1.69
872,815	M&G (ACS) UK Listed Equity ¹	1,018	1.01
203,350	M&G (ACS) UK Listed Mid Cap Equity ¹	186	0.18
	TOTAL UNITED KINGDOM	4,117	4.08
	ASIA EX JAPAN – 2.56% (31.10.22 – 2.58%)		
138,899	M&G (ACS) Matthews China Equity ¹	134	0.13
2,432,632	M&G Asia Pacific Ex Japan ¹	2,444	2.43
	TOTAL ASIA EX JAPAN	2,578	2.56
	JAPAN – 1.12% (31.10.22 – 1.12%)		
880,315	M&G (ACS) Japan Equity ¹	1,083	1.07
43,878	M&G (ACS) Japan Smaller Companies ¹	50	0.05
	TOTAL JAPAN	1,133	1.12
	NORTH AMERICA – 1.82% (31.10.22 – 2.35%)		
206,757	M&G (ACS) BlackRock Canada Index ¹	190	0.19
1,147,607	M&G (ACS) BlackRock US Equity ¹	1,244	1.23
92,535	M&G (ACS) Earnest Partners US ¹	95	0.09
123,055	M&G (ACS) Granahan US Small Capital Growth ¹	104	0.10

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
224,025	M&G (ACS) Manulife US Equity ¹	211	0.21
1,000	M&G (ACS) US Large Cap Equity ¹	1	–
1,000	M&G (ACS) William Blair US Large Cap Equity ¹	1	–
	TOTAL NORTH AMERICA	1,846	1.82
	AFRICA – 0.66 % (31.10.22 – 0.00 %)		
1,685,692	M&G SA Equity ¹	664	0.66
	EMERGING MARKETS – 1.72 % (31.10.22 – 1.50 %)		
42,297	iShares MSCI India	259	0.26
668,544	M&G (ACS) China ¹	439	0.44
462,553	M&G (ACS) China Equity ¹	273	0.27
304,668	M&G GSAM Global Emerging Markets Equity ¹	216	0.21
7,155	M&G Invesco Global Emerging Markets ¹	6	0.01
146,802	M&G Lazard Global Emerging Markets Equity ¹	150	0.15
418,625	M&G MFS Global Emerging Markets Equity ¹	382	0.38
	TOTAL EMERGING MARKETS	1,725	1.72
	TOTAL EQUITY PORTFOLIOS	13,716	13.61
	EQUITY INVESTMENT INSTRUMENTS – 2.30 % (31.10.22 – 2.00 %)		
17,000	Apax Global Alpha ²	26	0.03
103,578	BBGI ²	132	0.13
28,870	BH Macro ²	105	0.10
107,649	BioPharma Credit ²	73	0.07
2,834	Boussard & Gavaudan ²	59	0.06
310,452	DP Aircraft I ²	14	0.01
141,405	Ecofin US Renewables Infrastructure Trust ²	66	0.07
7,001	HarbourVest Global Private Equity ²	151	0.15
17,554	HgCapital ²	65	0.06
1,593,848	Legal & General Global Infrastructure Index	1,157	1.15
69,996	NB Distressed Debt Investment ²	33	0.03

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
131,839	NextEnergy Solar ²	102	0.10
67,400	Pantheon Infrastructure ²	51	0.05
18,005	Petershill Partners ²	27	0.03
3,301	Princess Private Equity ²	28	0.03
89,230	Renewables Infrastructure ²	90	0.09
236,454	SDCL Energy Efficiency Income ²	139	0.14
	TOTAL EQUITY INVESTMENT INSTRUMENTS	2,318	2.30
	PROPERTY PORTFOLIOS – 4.48% (31.10.22 – 4.83%)		
69,824	iShares Asia Property Yield	1,082	1.07
24,241	iShares European Property Yield	502	0.50
151,935	iShares UK Property UCITS ETF	594	0.59
1,680,144	Legal & General UK Property	1,647	1.63
1,353	M&G European Property ^{1,3}	188	0.19
44,964	M&G Property Portfolio ¹	509	0.50
	TOTAL PROPERTY PORTFOLIOS	4,522	4.48
	BOND PORTFOLIOS – 66.97% (31.10.22 – 67.84%)		
1,471,088	Eastspring US Corporate Bond	14,930	14.80
335,522	M&G (Lux) Asian Corporate Bond ¹	3,227	3.20
988,260	M&G (Lux) Asian Local Currency Bond ¹	9,599	9.52
1,235,474	M&G Credit Income Investment Trust ^{1,2}	1,124	1.12
4,218,016	M&G Emerging Markets Bond ¹	4,590	4.55
43,037	M&G European Credit Investment ¹	4,561	4.52
640,372	M&G Global Convertibles ¹	1,534	1.52
2,583,234	M&G Global High Yield Bond ¹	3,406	3.38
28,770,101	M&G Sterling Investment Grade Corporate Bond ¹	24,572	24.36
	TOTAL BOND PORTFOLIOS	67,543	66.97

WS PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	MONEY MARKETS – 12.28% (31.10.22 – 0.00%)		
12,383,000	M&G (Lux) Sterling Liquidity ¹	12,383	12.28
	FUTURES – (0.23)% (31.10.22 – (0.22)%) ⁴		
1	EURO STOXX 50 Index Futures December 2023	(2)	–
3	FTSE 100 Index Futures December 2023	(7)	(0.01)
20	FTSE China A50 Index Futures November 2023	4	–
1	FTSE/JSE Top 40 Futures December 2023	(2)	–
41	Long Gilt Futures December 2023	(71)	(0.07)
4	S&P 500 E Mini Index Futures December 2023	(48)	(0.05)
1	TOPIX Index Futures December 2023	(5)	(0.01)
30	US Treasury Note 10 Year Futures December 2023	(99)	(0.09)
	TOTAL FUTURES	(230)	(0.23)
	Portfolio of investments ⁵	100,252	99.41
	Net other assets	610	0.59
	Net assets	100,862	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holding (see note 12).

² Closed end fund.

³ Unlisted security.

⁴ Counterparty: JPMorgan.

⁵ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED ACTIVE 1
ACD'S REPORT continued
SUMMARY OF MATERIAL PORTFOLIO CHANGES
for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	20,402	Total sales for the year £'000 (note 16)	28,167
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
M&G (Lux) Asian Local Currency Bond	9,849	Eastspring Asian Local Bond	9,783
Long Gilt Futures December 2023	3,985	M&G Sterling Investment Grade	
Long Gilt Futures September 2023	3,941	Corporate Bond	4,946
US Treasury Note 10 Year Futures		Long Gilt Futures September 2023	3,941
September 2023	2,840	US Treasury Note 10 Year Futures	
US Treasury Note 10 Year Futures		September 2023	2,840
March 2023	2,752	US Treasury Note 10 Year Futures	
US Treasury Note 10 Year Futures June		March 2023	2,752
2023	2,688	US Treasury Note 10 Year Futures June	
US Treasury Note 10 Year Futures		2023	2,688
December 2023	2,606	US Treasury Note 10 Year Futures	
M&G Sterling Investment Grade		December 2023	2,594
Corporate Bond	1,843	Eastspring US Corporate Bond	1,670
Legal & General Global Infrastructure		Long Gilt Futures June 2023	1,167
Index	1,207	M&G European Credit Investment	988
Eastspring US Corporate Bond	1,204		

In addition to the above, purchases totalling £12,928,000 and sales totalling £545,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital losses	3		(30)		(18,590)
Revenue	4	3,648		2,849	
Expenses	5	(502)		(574)	
Interest payable and similar charges	6	<u>–</u>		<u>(3)</u>	
Net revenue before taxation		3,146		2,272	
Taxation	7	<u>(12)</u>		<u>(38)</u>	
Net revenue after taxation			3,134		2,234
Total return before distributions			3,104		(16,356)
Distributions	8		<u>(3,135)</u>		<u>(2,233)</u>
Change in net assets attributable to shareholders from investment activities			<u>(31)</u>		<u>(18,589)</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 1

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			103,261		135,853
Amounts receivable on issue of shares		11,380		9,703	
Amounts payable on redemption of shares		<u>(16,162)</u>		<u>(25,324)</u>	
			(4,782)		(15,621)
Dilution levy	1(H)		49		-
Change in net assets attributable to shareholders from investment activities			(31)		(18,589)
Retained distributions on Accumulation shares			<u>2,365</u>		<u>1,618</u>
Closing net assets attributable to shareholders			<u>100,862</u>		<u>103,261</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 1**FINANCIAL STATEMENTS** continued**BALANCE SHEET**

as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		100,486	92,862
Current assets			
Debtors	9	819	1,351
Cash and cash equivalents	10	1,126	10,414
Total assets		<u>102,431</u>	<u>104,627</u>
LIABILITIES			
Investment liabilities		(234)	(227)
Creditors			
Distribution payable	11	(797)	(503)
Other creditors	11	(538)	(636)
Total liabilities		<u>(1,569)</u>	<u>(1,366)</u>
Net assets attributable to shareholders		<u>100,862</u>	<u>103,261</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 1

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

The Fund has satisfied the qualifying investments test of Section 493 of the Corporation Taxes Act 2009, through the year. All distributions made are therefore made as gross interest distributions.

3. Net Capital Losses

The net capital losses during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	170	(17,933)
Derivative contracts	(65)	(802)
Transaction charges	(3)	(2)
AMC rebates from underlying investments	–	14
Currency (losses)/gains	(132)	136
Broker's commission on futures	–	(3)
Net capital losses	<u>(30)</u>	<u>(18,590)</u>

The net capital losses figure includes realised losses of £2,451,000 and unrealised losses of £8,966,000 (31.10.22: includes realised gains of £472,000 and unrealised losses of £11,390,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	386	230
Taxable dividends	1,342	985
UK property income distributions	–	101
Unfranked interest	1,520	866
Revenue from derivative contracts	4	4
AMC rebates from underlying investments	75	189
Bank interest	28	1
Revenue from tax transparent funds	291	473
Stock dividends	2	–
Total revenue	3,648	2,849

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	457	539
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fees	9	11
Safe custody and other bank charges	22	9
	31	20
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	3	5
	14	15
Total expenses	502	574

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	–	3
Total interest payable and similar charges	–	3

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Corporation tax	–	23
Overseas tax	1	–
Adjustments in respect of prior periods	(4)	(4)
Tax incurred on tax transparent funds	15	19
Current tax charge	12	38
Deferred tax – origination and reversal of timing differences (note 7c)	–	–
Total taxation (note 7b)	12	38

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	3,146	2,272
Corporation tax at 20%	629	454

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Effects of:		
Non-taxable dividends	(133)	(138)
Rebated capital expenses deductible for tax purposes	–	3
Corporation tax: adjustments in respect of prior years	(4)	(4)
Tax incurred on tax transparent funds	15	19
Tax deductible interest distributions	(496)	(296)
Corporation tax charge	11	38
Overseas tax	1	–
Total tax charge (note 7a)	12	38

c) Deferred tax

There was no deferred tax charge in the current or prior year.

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	3,162	2,121
	3,162	2,121
Add: Revenue deducted on redemption of shares	231	184
Deduct: Revenue received on issue of shares	(258)	(72)
Net distributions for the year	3,135	2,233

Details of the distributions per share are set out in the table on pages 61 and 62.

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Distributions represented by:		
Net revenue after taxation	3,134	2,234
Allocations to capital:		
Tax relief from capital	–	(1)
Equalisation on conversions ¹	1	–
Net distributions for the year	<u>3,135</u>	<u>2,233</u>

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	36	223
Sales awaiting settlement	–	366
Accrued revenue:		
Unfranked interest	–	7
AMC rebates from underlying investments	515	459
Revenue from tax transparent funds	268	280
	<u>783</u>	<u>746</u>
Taxation recoverable:		
Income tax	–	16
Total debtors	<u>819</u>	<u>1,351</u>

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	550	9,996
Margin account	<u>576</u>	<u>418</u>
Total cash and cash equivalents	<u>1,126</u>	<u>10,414</u>

¹ Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	797	503
Other Creditors		
Amounts payable for redemption of shares	467	83
Purchases awaiting settlement	–	458
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	37	39
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	3	1
Transaction charges	1	1
Safe custody and other bank charges	3	3
	7	5
Taxation payable:		
Corporation tax	–	23
Tax incurred on tax transparent funds	13	15
	13	38
Other expenses	11	10
Expenses from tax transparent funds	3	3
Total other creditors	538	636

WS PRUDENTIAL RISK MANAGED ACTIVE 1

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

12. Related Party Transactions

The Annual Management Charge payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 45 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 1,464 (31.10.22: 1,464) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 10,127,013 (31.10.22: 8,894,279) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited

27.47% (31.10.22: 22.08%)

As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	79,150	58,833

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.74%	0.74%	0.00%
Opening shares in issue	2,172,484	465,760	13,135,010
Issues	100,723	2,674	3,997,324
Redemptions	(543,071)	(44,331)	(1,724,370)
Conversions	(316,593)	(16,485)	–
Closing shares in issue	<u>1,413,543</u>	<u>407,618</u>	<u>15,407,964</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.49%	0.49%	0.74%
Opening shares in issue	55,949,844	3,103,798	7,178,722
Issues	4,149,437	229,712	409,432
Redemptions	(6,909,609)	(958,375)	(2,208,877)
Conversions	387,545	19,441	–
Closing shares in issue	<u>53,577,217</u>	<u>2,394,576</u>	<u>5,379,277</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the prior year balance sheet date. The total position by counterparty at the prior year balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(230)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(226)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	409	555
Hong Kong dollars	42	–
Japanese yen	104	89
South African rand	718	237
US dollars	652	9,880
Total foreign currency exposure	1,925	10,761
Pounds sterling	98,937	92,500
Net assets	100,862	103,261

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £96,000 on the net assets of the Fund (31.10.22: £538,000).

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 1:1 and leverage under the commitment method was 1:1 (31.10.22: 0.90:1 and 1:1 respectively).

WS PRUDENTIAL RISK MANAGED ACTIVE 1

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 78.40% of the portfolio can be liquidated within 5 days and 79.49% within 21 working days (31.10.22: 92.28% within 5 days and 93.13% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £5,013,000 (31.10.22: £4,632,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and the related counterparty are disclosed in the Portfolio of Investments.

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	109	–	1	110
Collective investment schemes	20,291	–	1	20,292
Purchases total	20,400	–	2	20,402
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	165	–	–	165
Collective investment schemes	28,002	–	–	28,002
Sales total	28,167	–	–	28,167
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.29% (31.10.22: 0.43%).

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	243	–	1	244
Collective investment schemes	52,886	1	1	52,888
Purchases total	53,129	1	2	53,132
Transaction cost % of purchases total		–	–	
Transaction cost % of average NAV		–	–	
Ordinary shares	351	–	–	351
Collective investment schemes	67,177	(1)	–	67,176
Sales total	67,528	(1)	–	67,527
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED ACTIVE 1

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

31.10.23	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	5,883	94,415	188	100,486
Investment liabilities	(234)	–	–	(234)

31.10.22	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	4,990	87,872	–	92,862
Investment liabilities	(227)	–	–	(227)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	152.13	160.87	5.75%
A Income	128.18	131.77	2.80%
C Income	129.49	132.41	2.26%
P Accumulation	128.85	136.36	5.83%
P Income	108.79	111.64	2.62%
R Accumulation	138.97	146.96	5.75%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED ACTIVE 1

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	4.2390	–	4.2390	2.5487
Group 2	3.6716	0.5674	4.2390	2.5487

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.5725	–	3.5725	2.1843
Group 2	2.6517	0.9208	3.5725	2.1843

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	4.5685	–	4.5685	3.2439
Group 2	0.3426	4.2259	4.5685	3.2439

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.9132	–	3.9132	2.4949
Group 2	2.0722	1.8410	3.9132	2.4949

WS PRUDENTIAL RISK MANAGED ACTIVE 1
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.3044	–	3.3044	2.1486
Group 2	1.8826	1.4218	3.3044	2.1486

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.8717	–	3.8717	2.3273
Group 2	1.9204	1.9513	3.8717	2.3273

WS PRUDENTIAL RISK MANAGED ACTIVE 2 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Active 2 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 10%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 10%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a bias towards lower risk assets such as fixed income assets and cash but will always have some exposure to equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 20-60% shares sector.

The Fund's performance may be compared against the IA Mixed Investment 20-60% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Active 2
29 February 2024

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 2.34%, P (Acc) 2.51% and A (Acc) 2.34% produced returns behind the 1.70% sector average for the IA Mixed Investment 20-60% shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G European Property Fund
- Apax Global Alpha Ltd
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- Legal & General Global Infrastructure Index Fund
- M&G (ACS) BlackRock Canada Index Fund
- M&G (ACS) Manulife US Equity Fund
- M&G (ACS) Matthews China Equity Fund
- M&G European Sustain Paris Aligned Fund
- M&G (Lux) Sterling Liquidity Fund
- iShares UK Property UCITS ETF
- M&G (ACS) US Large Cap Equity Fund
- M&G (ACS) William Blair US Large Cap Equity Fund

The Fund exited:

- M&G North American Value Fund
- M&G Recovery Fund
- Round Hill Music Royalty Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED ACTIVE 2
ACD'S REPORT continued
PORTFOLIO MANAGER'S REPORT continued

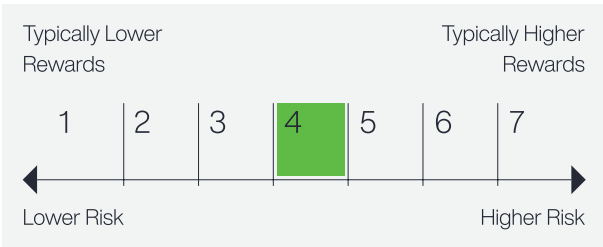
With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager
17 November 2023

WS PRUDENTIAL RISK MANAGED ACTIVE 2
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 2 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in the exchange rate may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	159.72	182.78	165.42
Return before operating charges*	5.49	(21.60)	18.75
Operating charges	(1.46)	(1.46)	(1.39)
Return after operating charges	4.03	(23.06)	17.36
Distributions	(3.96)	(2.54)	(2.72)
Retained distributions on accumulation shares	3.96	2.54	2.72
Closing net asset value per share	163.75	159.72	182.78
* after direct transaction costs of:	–	0.01	0.02

PERFORMANCE

Return after charges	2.52%	(12.62)%	10.49%
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OTHER INFORMATION

Closing net asset value (£'000)	7,004	8,526	11,405
Closing number of shares	4,277,608	5,337,987	6,239,894
Operating charges	0.87%	0.83%	0.78%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	173.96	186.05	185.89
Lowest share price	160.37	157.45	165.86

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	137.00	159.32	146.36
Return before operating charges*	4.73	(18.84)	16.60
Operating charges	(1.25)	(1.27)	(1.23)
Return after operating charges	3.48	(20.11)	15.37
Distributions	(3.40)	(2.21)	(2.41)
Closing net asset value per share	137.08	137.00	159.32
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	2.54%	(12.62)%	10.50%
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OTHER INFORMATION

Closing net asset value (£'000)	918	1,054	1,299
Closing number of shares	669,371	768,937	815,479
Operating charges	0.87%	0.83%	0.78%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	149.24	162.22	164.51
Lowest share price	137.61	137.24	146.78

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	137.53	160.02	147.00
Return before operating charges*	4.51	(19.21)	16.45
Operating charges	(0.19)	(0.14)	(0.06)
Return after operating charges	4.32	(19.35)	16.39
Distributions	(4.28)	(3.14)	(3.37)
Closing net asset value per share	137.57	137.53	160.02
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.14 %	(12.09) %	11.15 %
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OTHER INFORMATION

Closing net asset value (£'000)	55,348	57,161	69,794
Closing number of shares	40,231,819	41,563,330	43,615,333
Operating charges	0.13 %	0.09 %	0.04 %
Direct transaction costs	–	0.01 %	–

PRICES

Highest share price	150.05	162.98	166.06
Lowest share price	138.13	138.63	147.42

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	129.62	148.05	133.71
Return before operating charges*	4.43	(17.60)	15.11
Operating charges	(0.85)	(0.83)	(0.77)
Return after operating charges	3.58	(18.43)	14.34
Distributions	(3.49)	(2.34)	(2.49)
Retained distributions on accumulation shares	3.49	2.34	2.49
Closing net asset value per share	133.20	129.62	148.05
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	2.76%	(12.45)%	10.72%
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OTHER INFORMATION

Closing net asset value (£'000)	159,815	170,207	202,555
Closing number of shares	119,978,813	131,313,446	136,818,131
Operating charges	0.62%	0.58%	0.53%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	141.30	150.80	150.61
Lowest share price	130.25	127.76	134.16

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	111.46	129.66	119.10
Return before operating charges*	3.86	(15.42)	13.46
Operating charges	(0.73)	(0.73)	(0.68)
Return after operating charges	3.13	(16.15)	12.78
Distributions	(3.01)	(2.05)	(2.22)
Closing net asset value per share	111.58	111.46	129.66
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	2.81%	(12.45)%	10.73%
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OTHER INFORMATION

Closing net asset value (£'000)	6,657	6,183	8,295
Closing number of shares	5,966,378	5,547,100	6,397,973
Operating charges	0.62%	0.58%	0.53%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	121.55	132.14	134.22
Lowest share price	112.04	111.89	119.55

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	143.65	164.39	148.77
Return before operating charges*	4.94	(19.43)	16.87
Operating charges	(1.31)	(1.31)	(1.25)
Return after operating charges	3.63	(20.74)	15.62
Distributions	(3.56)	(2.28)	(2.45)
Retained distributions on accumulation shares	3.56	2.28	2.45
Closing net asset value per share	147.28	143.65	164.39
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	2.53%	(12.62)%	10.50%
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OTHER INFORMATION

Closing net asset value (£'000)	25,744	29,850	33,724
Closing number of shares	17,478,956	20,780,359	20,514,276
Operating charges	0.87%	0.83%	0.78%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	156.47	167.36	167.22
Lowest share price	144.27	141.60	149.20

WS PRUDENTIAL RISK MANAGED ACTIVE 2
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Active 2	2.51	(0.78)	6.29
IA Mixed Investment 20-60% shares sector ¹	1.70	2.91	7.84

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 98 and 99.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED ACTIVE 2
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 24.94% (31.10.22 – 25.73%)		
	CONTINENTAL EUROPE – 3.14% (31.10.22 – 3.74%)		
2,136,945	M&G (Lux) Europe Ex UK Equity ¹	2,191	0.86
3,722,427	M&G (Lux) Europe Ex UK Equity NPV ¹	4,314	1.69
1,085,165	M&G (Lux) Pan European Smaller Companies ¹	820	0.32
688,564	M&G European Sustain Paris Aligned ¹	695	0.27
	TOTAL CONTINENTAL EUROPE	8,020	3.14
	UNITED KINGDOM – 7.53% (31.10.22 – 9.37%)		
5,813,246	M&G (ACS) BlackRock UK All Share Equity ¹	5,847	2.29
7,560,109	M&G (ACS) UK 200 Index ¹	7,527	2.95
4,304,099	M&G (ACS) UK Listed Equity ¹	5,020	1.96
928,262	M&G UK Listed Mid Cap Equity ¹	849	0.33
	TOTAL UNITED KINGDOM	19,243	7.53
	ASIA EX JAPAN – 4.67% (31.10.22 – 4.34%)		
664,159	M&G (ACS) Matthews China Equity ¹	642	0.25
11,234,963	M&G Asia Pacific Ex Japan ¹	11,287	4.42
	TOTAL ASIA EX JAPAN	11,929	4.67
	JAPAN – 1.90% (31.10.22 – 1.94%)		
3,761,698	M&G (ACS) Japan Equity ¹	4,627	1.81
208,794	M&G (ACS) Japan Smaller Companies ¹	236	0.09
	TOTAL JAPAN	4,863	1.90
	NORTH AMERICA – 3.44% (31.10.22 – 3.82%)		
1,037,343	M&G (ACS) BlackRock Canada Index ¹	954	0.37
5,546,343	M&G (ACS) BlackRock US Equity ¹	6,016	2.35
506,425	M&G (ACS) Earnest Partners US ¹	522	0.20
505,521	M&G (ACS) Granahan US Small Capital Growth ¹	426	0.17

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
949,431	M&G (ACS) Manulife US Equity ¹	893	0.35
1,000	M&G (ACS) US Large Cap Equity ¹	1	–
1,000	M&G (ACS) William Blair US Large Cap Equity ¹	1	–
	TOTAL NORTH AMERICA	8,813	3.44
	AFRICA – 1.31% (31.10.22 – 0.00%)		
8,470,640	M&G SA Equity ¹	3,335	1.31
	EMERGING MARKETS – 2.95% (31.10.22 – 2.52%)		
214,372	iShares MSCI India	1,314	0.51
2,688,853	M&G (ACS) China ¹	1,766	0.69
1,966,232	M&G (ACS) China Equity ¹	1,161	0.45
1,426,910	M&G GSAM Global Emerging Markets Equity ¹	1,010	0.40
26,859	M&G Invesco Global Emerging Markets ¹	21	0.01
612,778	M&G Lazard Global Emerging Markets Equity ¹	626	0.25
1,788,463	M&G MFS Global Emerging Markets Equity ¹	1,632	0.64
	TOTAL EMERGING MARKETS	7,530	2.95
	TOTAL EQUITY PORTFOLIOS	63,733	24.94
	EQUITY INVESTMENT INSTRUMENTS – 2.93% (31.10.22 – 2.53%)		
63,100	Apax Global Alpha ²	96	0.04
398,038	BBGI ²	506	0.20
112,270	BH Macro ²	408	0.16
396,509	BioPharma Credit ²	270	0.11
10,169	Boussard & Gavaudan ²	213	0.08
719,584	DP Aircraft I ²	33	0.01
433,559	Ecofin US Renewables Infrastructure Trust ²	204	0.08
26,552	HarbourVest Global Private Equity ²	572	0.22
67,013	HgCapital ²	246	0.10
4,510,316	Legal & General Global Infrastructure Index	3,273	1.28
164,860	NB Distressed Debt Investment ²	79	0.03

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
474,081	NextEnergy Solar ²	368	0.14
252,800	Pantheon Infrastructure ²	193	0.08
67,600	Petershill Partners ²	100	0.04
11,894	Princess Private Equity ²	100	0.04
338,623	Renewables Infrastructure ²	341	0.13
839,181	SDCL Energy Efficiency Income ²	493	0.19
	TOTAL EQUITY INVESTMENT INSTRUMENTS	7,495	2.93
	PROPERTY PORTFOLIOS – 6.38% (31.10.22 – 6.01%)		
254,461	iShares Asia Property Yield	3,944	1.54
84,674	iShares European Property Yield	1,755	0.69
506,627	iShares UK Property UCITS ETF	1,979	0.77
6,165,628	Legal & General UK Property	6,045	2.37
5,236	M&G European Property ^{1,3}	726	0.28
164,472	M&G Property Portfolio ¹	1,861	0.73
	TOTAL PROPERTY PORTFOLIOS	16,310	6.38
	BOND PORTFOLIOS – 55.39% (31.10.22 – 56.04%)		
2,835,005	Eastspring US Corporate Bond	28,772	11.26
714,183	M&G (Lux) Asian Corporate Bond ¹	6,870	2.69
2,316,640	M&G (Lux) Asian Local Currency Bond ¹	22,500	8.81
2,331,166	M&G Credit Income Investment Trust ^{1,2}	2,121	0.83
9,495,133	M&G Emerging Markets Bond ¹	10,334	4.04
79,444	M&G European Credit Investment ¹	8,420	3.30
1,409,827	M&G Global Convertibles ¹	3,377	1.32
8,164,414	M&G Global High Yield Bond ¹	10,763	4.21
56,626,999	M&G Sterling Investment Grade Corporate Bond ¹	48,365	18.93
	TOTAL BOND PORTFOLIOS	141,522	55.39

WS PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	MONEY MARKETS – 10.24% (31.10.22 – 0.00%)		
26,157,000	M&G (Lux) Sterling Liquidity ¹	26,157	10.24
	FUTURES – (0.22)% (31.10.22 – (0.23)%) ⁴		
6	EURO STOXX 50 Index Futures December 2023	(11)	–
15	FTSE 100 Index Futures December 2023	(36)	(0.01)
53	FTSE China A50 Index Futures December 2023	10	–
6	FTSE/JSE Top 40 Futures December 2023	(12)	–
94	Long Gilts Future December 2023	(162)	(0.06)
13	S&P 500 E Mini Index Futures December 2023	(157)	(0.06)
3	TOPIX Index Futures December 2023	(14)	(0.01)
64	US Treasury Note 10 Year Futures December 2023	(212)	(0.08)
	TOTAL FUTURES	(594)	(0.22)
	Portfolio of investments ⁵	254,623	99.66
	Net other assets	863	0.34
	Net assets	255,486	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holding (see note 12).

² Closed end fund.

³ Unlisted security.

⁴ Counterparty: JPMorgan.

⁵ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED ACTIVE 2
ACD'S REPORT continued
SUMMARY OF MATERIAL PORTFOLIO CHANGES
for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	51,051	Total sales for the year £'000 (note 16)	76,877
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
M&G (Lux) Asian Local Currency Bond	23,017	Eastspring Asian Local Bond	23,478
Long Gilts Future December 2023	8,920	M&G Sterling Investment Grade	12,233
Long Gilts Future September 2023	8,760	Corporate Bond	8,760
US Treasury Note 10 Year Futures September 2023	6,407	US Treasury Note 10 Year Futures September 2023	6,407
US Treasury Note 10 Year Futures June 2023	6,209	US Treasury Note 10 Year Futures June 2023	6,209
US Treasury Note 10 Year Futures March 2023	6,168	US Treasury Note 10 Year Futures March 2023	6,168
US Treasury Note 10 Year Futures December 2023	5,907	US Treasury Note 10 Year Futures December 2023	5,797
FTSE/JSE Top 40 Futures March 2023	3,879	Eastspring US Corporate Bond	3,920
FTSE/JSE Top 40 Futures June 2023	3,613	FTSE/JSE Top 40 Futures March 2023	3,879
M&G SA Equity	3,577	FTSE/JSE Top 40 Futures December 2022	3,841

In addition to the above, purchases totalling £5,744,129,000 and sales totalling £5,718,038,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital gains/(losses)	3		822		(45,283)
Revenue	4	9,735		7,472	
Expenses	5	(1,243)		(1,367)	
Interest payable and similar charges	6	(4)		(7)	
Net revenue before taxation		8,488		6,098	
Taxation	7	(1,254)		(794)	
Net revenue after taxation			7,234		5,304
Total return before distributions			8,056		(39,979)
Distributions	8		(7,235)		(5,309)
Change in net assets attributable to shareholders from investment activities			821		(45,288)

WS PRUDENTIAL RISK MANAGED ACTIVE 2

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			272,981		327,072
Amounts receivable on issue of shares		15,619		34,069	
Amounts payable on redemption of shares		<u>(39,016)</u>	(23,397)	<u>(46,560)</u>	(12,491)
Dilution levy	1(H)		96		-
Change in net assets attributable to shareholders from investment activities			821		(45,288)
Retained distributions on Accumulation shares			<u>4,985</u>		<u>3,688</u>
Closing net assets attributable to shareholders			<u>255,486</u>		<u>272,981</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 2**FINANCIAL STATEMENTS** continued**BALANCE SHEET**

as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		255,227	246,545
Current assets			
Debtors	9	2,404	3,101
Cash and cash equivalents	10	2,673	27,713
Total assets		<u>260,304</u>	<u>277,359</u>
LIABILITIES			
Investment liabilities		(604)	(638)
Creditors			
Distribution payable	11	(1,926)	(1,438)
Other creditors	11	(2,288)	(2,302)
Total liabilities		<u>(4,818)</u>	<u>(4,378)</u>
Net assets attributable to shareholders		<u>255,486</u>	<u>272,981</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	935	(43,611)
Derivative contracts	301	(1,951)
Transaction charges	(3)	–
AMC rebates from underlying investments	–	20
Currency (losses)/gains	(411)	267
Broker's commission on futures	–	(8)
Net capital gains/(losses)	<u>822</u>	<u>(45,283)</u>

The net capital gains figure includes realised losses of £6,425,000 and unrealised losses of £22,551,000 (31.10.22: includes realised gains of £778,000 and unrealised losses of £29,801,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	1,412	688
Taxable dividends	3,062	2,030
UK property income distributions	–	317
Unfranked interest	3,631	2,079
AMC rebates from underlying investments	203	467
Bank interest	61	1
Revenue from tax transparent funds	1,347	1,874
Broker interest	12	16
Stock dividends	7	–
Total revenue	9,735	7,472

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	1,167	1,303
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fees	21	23
Safe custody and other bank charges	27	9
	48	32
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	17	22
	28	32
Total expenses	1,243	1,367

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	4	7
Total interest payable and similar charges	4	7

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Corporation tax	1,155	722
Overseas tax	5	-
Adjustments in respect of prior periods	27	-
Tax incurred on tax transparent funds	67	72
Current tax charge	1,254	794
Deferred tax – origination and reversal of timing differences (note 7c)	-	-
Total taxation (note 7b)	1,254	794

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	8,488	6,098
Corporation tax at 20%	1,698	1,220

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Effects of:		
Non-taxable dividends	(543)	(502)
Rebated capital expenses deductible for tax purposes	–	4
Corporation tax: adjustments in respect of prior years	27	–
Tax incurred on tax transparent funds	67	72
Corporation tax charge	1,249	794
Overseas tax	5	–
Total tax charge (note 7a)	1,254	794

c) Deferred tax

There was no deferred tax charge in the current or prior year.

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	6,910	5,126
	6,910	5,126
Add: Revenue deducted on redemption of shares	556	365
Deduct: Revenue received on issue of shares	(231)	(182)
Net distributions for the year	7,235	5,309

Details of the distributions per share are set out in the table on pages 98 and 99.

	31.10.23 £'000	31.10.22 £'000
Distributions represented by:		
Net revenue after taxation	7,234	5,304
Allocations to capital:		
Tax relief from capital	–	4

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Equalisation on conversions ¹	1	1
Net distributions for the year	7,235	5,309

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	109	163
Sales awaiting settlement	–	699
Accrued revenue:		
Non-taxable dividends	9	–
Unfranked interest	–	22
Revenue from derivative contracts	–	3
AMC rebates from underlying investments	1,043	909
Revenue from tax transparent funds	1,243	1,254
	2,295	2,188
Taxation recoverable:		
Income tax	–	51
Total debtors	2,404	3,101

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	1,298	26,356
Margin account	1,375	1,357
Total cash and cash equivalents	2,673	27,713

¹ Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	1,926	1,438
Other Creditors		
Amounts payable for redemption of shares	1,264	499
Purchases awaiting settlement	–	1,083
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	92	99
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	7	2
Transaction charges	1	1
Safe custody and other bank charges	4	3
	12	6
Taxation payable:		
Corporation tax	834	523
Tax incurred on tax transparent funds	62	68
	896	591
Other expenses	11	10
Expenses from tax transparent funds	13	14
Total other creditors	2,288	2,302

WS PRUDENTIAL RISK MANAGED ACTIVE 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

12. Related Party Transactions

The Annual Management Charge and administration fees payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 82 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 188,585 (31.10.22: 165,739) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 31,754,027 (31.10.22: 32,385,798) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited

39.43% (31.10.22: 36.13%)

As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	203,913	164,206

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.74%	0.74%	0.00%
Opening shares in issue	5,337,987	768,937	41,563,330
Issues	70,039	570	4,260,760
Redemptions	(749,510)	(90,874)	(5,592,271)
Conversions	(380,908)	(9,262)	–
Closing shares in issue	<u>4,277,608</u>	<u>669,371</u>	<u>40,231,819</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.49%	0.49%	0.74%
Opening shares in issue	131,313,446	5,547,100	20,780,359
Issues	4,289,143	1,184,687	1,523,187
Redemptions	(16,106,219)	(776,773)	(4,812,078)
Conversions	482,443	11,364	(12,512)
Closing shares in issue	<u>119,978,813</u>	<u>5,966,378</u>	<u>17,478,956</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the balance sheet date. Details of the individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(594)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(634)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may be indirectly exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

WS PRUDENTIAL RISK MANAGED ACTIVE 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	1,546	1,388
Hong Kong dollars	42	–
Japanese yen	246	193
South African rand	3,476	852
US dollars	2,430	25,042
Total foreign currency exposure	7,740	27,475
Pounds sterling	247,746	245,506
Net assets	255,486	272,981

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £387,000 on the net assets of the Fund (31.10.22: £1,374,000).

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 1:1 and leverage under the commitment method was 1:1 (31.10.22: 0.90:1 and 1:1 respectively).

WS PRUDENTIAL RISK MANAGED ACTIVE 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 78.19% of the portfolio can be liquidated within 5 days and 79.17% within 21 working days (31.10.22: 92.72% within 5 days and 93.46% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £12,731,000 (31.10.22: £12,295,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and related counterparty are disclosed in the Portfolio of Investments.

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	378	–	2	380
Collective investment schemes	50,667	2	2	50,671
Purchases total	51,045	2	4	51,051
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	501	–	–	501
Collective investment schemes	76,377	(1)	–	76,376
Sales total	76,878	(1)	–	76,877
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.34% (31.10.22: 0.44%).

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	818	–	4	822
Collective investment schemes	125,799	4	3	125,806
Purchases total	126,617	4	7	126,628
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	944	–	–	944
Collective investment schemes	134,878	(5)	–	134,873
Sales total	135,822	(5)	–	135,817
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

31.10.23	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	15,132	239,369	726	255,227
Investment liabilities	(604)	–	–	(604)

31.10.22	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	15,721	230,824	–	246,545
Investment liabilities	(638)	–	–	(638)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	164.01	173.71	5.91%
A Income	140.71	145.43	3.35%
C Income	142.09	146.22	2.91%
P Accumulation	133.42	141.40	5.98%
P Income	114.77	118.45	3.20%
R Accumulation	147.52	156.25	5.91%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED ACTIVE 2

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.9640	–	3.9640	2.5384
Group 2	2.6072	1.3568	3.9640	2.5384

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.4015	–	3.4015	2.2131
Group 2	2.7775	0.6240	3.4015	2.2131

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	4.2839	–	4.2839	3.1439
Group 2	1.2671	3.0168	4.2839	3.1439

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.4941	–	3.4941	2.3441
Group 2	2.0083	1.4858	3.4941	2.3441

WS PRUDENTIAL RISK MANAGED ACTIVE 2
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.0090	–	3.0090	2.0535
Group 2	1.1273	1.8817	3.0090	2.0535

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.5639	–	3.5639	2.2835
Group 2	2.1492	1.4147	3.5639	2.2835

WS PRUDENTIAL RISK MANAGED ACTIVE 3 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Active 3 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 12%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 12%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will be balanced between lower risk assets, such as fixed income assets and cash, and higher risk assets, such as equities. From time to time, however, the Fund may have a higher exposure to either higher risk or lower risk assets with the aim of meeting the Fund's objective. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 20-60% shares sector.

The Fund's performance may be compared against the IA Mixed Investment 20-60% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Active 3
29 February 2024

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 2.89%, P (Acc) 3.06% and A (Acc) 2.92% produced returns ahead of the 1.70% sector average for the IA Mixed Investment 20-60% shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED ACTIVE 3 ACD'S REPORT continued PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G European Property Fund
- Apax Global Alpha Ltd
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- Legal & General Global Infrastructure Index Fund
- M&G (ACS) BlackRock Canada Index Fund
- M&G (ACS) Manulife US Equity Fund
- M&G (ACS) Matthews China Equity Fund
- M&G European Sustain Paris Aligned Equity Fund
- M&G (Lux) Sterling Liquidity Fund
- iShares UK Property UCITS ETF
- M&G (ACS) US Large Cap Equity Fund
- M&G (ACS) William Blair US Large Cap Equity Fund

The Fund exited:

- M&G North American Value Fund
- M&G Recovery Fund
- Round Hill Music Royalty Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

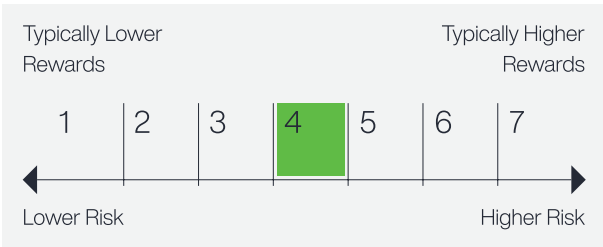
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

17 November 2023

WS PRUDENTIAL RISK MANAGED ACTIVE 3
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 3 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in the exchange rate may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	171.56	194.50	170.79
Return before operating charges*	6.65	(21.36)	25.24
Operating charges	(1.60)	(1.58)	(1.53)
Return after operating charges	5.05	(22.94)	23.71
Distributions	(4.39)	(2.80)	(2.95)
Retained distributions on accumulation shares	4.39	2.80	2.95
Closing net asset value per share	176.61	171.56	194.50
* after direct transaction costs of:	0.01	0.02	0.02

PERFORMANCE

Return after charges	2.94%	(11.79)%	13.88%
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OTHER INFORMATION

Closing net asset value (£'000)	7,692	9,934	11,635
Closing number of shares	4,355,319	5,790,210	5,982,077
Operating charges	0.88%	0.84%	0.81%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	189.04	199.34	197.69
Lowest share price	171.79	169.37	171.11

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	148.94	171.67	153.06
Return before operating charges*	5.81	(18.86)	22.62
Operating charges	(1.39)	(1.40)	(1.37)
Return after operating charges	4.42	(20.26)	21.25
Distributions	(3.81)	(2.47)	(2.64)
Closing net asset value per share	149.55	148.94	171.67
* after direct transaction costs of:	0.01	0.01	0.02

PERFORMANCE

Return after charges	2.97%	(11.80)%	13.88%
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OTHER INFORMATION

Closing net asset value (£'000)	997	1,320	1,578
Closing number of shares	666,773	886,328	919,435
Operating charges	0.88%	0.84%	0.81%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	164.16	176.03	177.24
Lowest share price	149.13	149.48	153.34

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	149.44	172.34	153.64
Return before operating charges*	5.56	(19.25)	22.47
Operating charges	(0.22)	(0.17)	(0.10)
Return after operating charges	5.34	(19.42)	22.37
Distributions	(4.77)	(3.48)	(3.67)
Closing net asset value per share	150.01	149.44	172.34
* after direct transaction costs of:	0.01	0.01	0.02

PERFORMANCE

Return after charges	3.57%	(11.27)%	14.56%
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OTHER INFORMATION

Closing net asset value (£'000)	89,769	85,767	99,078
Closing number of shares	59,842,046	57,392,828	57,491,424
Operating charges	0.14%	0.10%	0.06%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	165.01	176.82	178.81
Lowest share price	149.63	150.92	153.93

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	134.95	152.68	133.80
Return before operating charges*	5.23	(16.84)	19.71
Operating charges	(0.90)	(0.89)	(0.83)
Return after operating charges	4.33	(17.73)	18.88
Distributions	(3.74)	(2.50)	(2.61)
Retained distributions on accumulation shares	3.74	2.50	2.61
Closing net asset value per share	139.28	134.95	152.68
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.21%	(11.61)%	14.11%
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OTHER INFORMATION

Closing net asset value (£'000)	261,702	273,902	279,782
Closing number of shares	187,901,681	202,970,691	183,243,739
Operating charges	0.63%	0.60%	0.56%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	148.88	156.70	155.32
Lowest share price	135.13	133.21	134.05

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	116.84	134.70	120.09
Return before operating charges*	4.57	(14.88)	17.70
Operating charges	(0.78)	(0.78)	(0.75)
Return after operating charges	3.79	(15.66)	16.95
Distributions	(3.24)	(2.20)	(2.34)
Closing net asset value per share	117.39	116.84	134.70
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.24%	(11.62)%	14.11%
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OTHER INFORMATION

Closing net asset value (£'000)	8,314	9,524	10,767
Closing number of shares	7,082,233	8,151,379	7,992,800
Operating charges	0.63%	0.60%	0.56%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	128.95	138.32	139.47
Lowest share price	116.99	117.51	120.31

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	152.67	173.08	151.98
Return before operating charges*	5.94	(18.99)	22.46
Operating charges	(1.42)	(1.42)	(1.36)
Return after operating charges	4.52	(20.41)	21.10
Distributions	(3.90)	(2.49)	(2.62)
Retained distributions on accumulation shares	3.90	2.49	2.62
Closing net asset value per share	157.19	152.67	173.08
* after direct transaction costs of:	0.01	0.01	0.02

PERFORMANCE

Return after charges	2.96%	(11.79)%	13.88%
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OTHER INFORMATION

Closing net asset value (£'000)	33,256	34,497	33,308
Closing number of shares	21,156,518	22,595,543	19,243,836
Operating charges	0.88%	0.85%	0.81%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	168.26	177.46	175.99
Lowest share price	152.88	150.72	152.27

WS PRUDENTIAL RISK MANAGED ACTIVE 3
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Active 3	3.06	3.67	9.23
IA Mixed Investment 20-60% shares sector ¹	1.70	2.91	7.84

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 135 and 136.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED ACTIVE 3
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 37.28% (31.10.22 – 36.99%)		
	CONTINENTAL EUROPE – 4.67% (31.10.22 – 5.37%)		
4,837,499	M&G (Lux) Europe Ex UK Equity ¹	4,959	1.23
8,793,500	M&G (Lux) Europe Ex UK Equity NPV ¹	10,191	2.53
2,554,914	M&G (Lux) Pan European Smaller Companies ¹	1,932	0.48
1,710,683	M&G European Sustain Paris Aligned ¹	1,727	0.43
	TOTAL CONTINENTAL EUROPE	18,809	4.67
	UNITED KINGDOM – 11.28% (31.10.22 – 13.48%)		
13,512,231	M&G (ACS) BlackRock UK All Share Equity ¹	13,590	3.39
17,828,909	M&G (ACS) UK 200 Index ¹	17,749	4.41
10,074,699	M&G (ACS) UK Listed Equity ¹	11,752	2.93
2,406,633	M&G (ACS) UK Listed Smaller Companies ¹	2,201	0.55
	TOTAL UNITED KINGDOM	45,292	11.28
	ASIA EX JAPAN – 6.84% (31.10.22 – 6.22%)		
1,576,972	M&G (ACS) Matthews China Equity ¹	1,524	0.38
25,860,888	M&G Asia Pacific Ex Japan ¹	25,980	6.46
	TOTAL ASIA EX JAPAN	27,504	6.84
	JAPAN – 2.91% (31.10.22 – 2.77%)		
9,016,751	M&G (ACS) Japan Equity ¹	11,092	2.77
495,472	M&G (ACS) Japan Smaller Companies ¹	561	0.14
	TOTAL JAPAN	11,653	2.91
	NORTH AMERICA – 5.35% (31.10.22 – 5.50%)		
2,438,048	M&G (ACS) BlackRock Canada Index ¹	2,242	0.56
14,214,318	M&G (ACS) BlackRock US Equity ¹	15,418	3.84
971,734	M&G (ACS) Earnest Partners US ¹	1,002	0.25
993,829	M&G (ACS) Granahan US Small Capital Growth ¹	837	0.21

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
2,101,706	M&G (ACS) Manulife US Equity ¹	1,976	0.49
1,000	M&G (ACS) US Large Cap Equity ¹	1	–
1,000	M&G (ACS) William Blair US Large Cap Equity ¹	1	–
	TOTAL NORTH AMERICA	21,477	5.35
	AFRICA – 1.95% (31.10.22 – 0.00%)		
19,938,238	M&G SA Equity ¹	7,850	1.95
	EMERGING MARKETS – 4.28% (31.10.22 – 3.65%)		
488,949	iShares MSCI India	2,997	0.75
6,278,143	M&G (ACS) China ¹	4,124	1.03
4,730,760	M&G (ACS) China Equity ¹	2,793	0.70
3,261,139	M&G GSAM Global Emerging Markets Equity ¹	2,308	0.57
61,640	M&G Invesco Global Emerging Markets ¹	48	0.01
1,240,824	M&G Lazard Global Emerging Markets Equity ¹	1,268	0.32
3,973,728	M&G MFS Global Emerging Markets Equity ¹	3,627	0.90
	TOTAL EMERGING MARKETS	17,165	4.28
	TOTAL EQUITY PORTFOLIOS	149,750	37.28
	EQUITY INVESTMENT INSTRUMENTS – 3.49% (31.10.22 – 3.06%)		
138,200	Apax Global Alpha ²	211	0.05
844,158	BBGI ²	1,074	0.27
233,680	BH Macro ²	849	0.21
825,299	BioPharma Credit ²	562	0.14
22,424	Boussard & Gavaudan ²	469	0.12
1,243,334	DP Aircraft I ²	56	0.02
736,341	Ecofin US Renewables Infrastructure Trust ²	346	0.09
56,476	HarbourVest Global Private Equity ²	1,217	0.30
141,227	HgCapital ²	519	0.13
7,083,257	Legal & General Global Infrastructure Index	5,140	1.28
247,467	NB Distressed Debt Investment ²	118	0.03

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
1,018,474	NextEnergy Solar ²	791	0.20
546,000	Pantheon Infrastructure ²	417	0.10
141,559	Petershill Partners ²	209	0.05
25,508	Princess Private Equity ²	216	0.05
731,460	Renewables Infrastructure ²	736	0.18
1,821,493	SDCL Energy Efficiency Income ²	1,069	0.27
	TOTAL EQUITY INVESTMENT INSTRUMENTS	13,999	3.49
	PROPERTY PORTFOLIOS – 7.35% (31.10.22 – 6.53%)		
472,883	iShares Asia Property Yield	7,330	1.82
158,183	iShares European Property Yield	3,278	0.82
874,870	iShares UK Property	3,418	0.85
10,701,545	Legal & General UK Property	10,492	2.61
10,130	M&G European Property ^{1,3}	1,404	0.35
318,029	M&G Property Portfolio ¹	3,599	0.90
	TOTAL PROPERTY PORTFOLIOS	29,521	7.35
	BOND PORTFOLIOS – 42.63% (31.10.22 – 42.56%)		
3,168,042	Eastspring US Corporate Bond	32,152	8.00
931,098	M&G (Lux) Asian Corporate Bond ¹	8,956	2.23
3,079,619	M&G (Lux) Asian Local Currency Bond ¹	29,911	7.45
2,298,453	M&G Credit Income Investment Trust ^{1,2}	2,092	0.52
13,926,324	M&G Emerging Markets Bond ¹	15,156	3.77
78,238	M&G European Credit Investment ¹	8,292	2.06
1,647,636	M&G Global Convertibles ¹	3,946	0.98
12,477,286	M&G Global High Yield Bond ¹	16,449	4.10
63,612,463	M&G Sterling Investment Grade Corporate Bond ¹	54,331	13.52
	TOTAL BOND PORTFOLIOS	171,285	42.63
	MONEY MARKETS – 8.84% (31.10.22 – 0.00%)		
35,532,000	M&G (Lux) Sterling Liquidity ¹	35,532	8.84

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	FUTURES – (0.22)% (31.10.22 – (0.24)%) ⁴		
25	EURO STOXX 50 Index Futures December 2023	(45)	(0.01)
35	FTSE 100 Index Futures December 2023	(83)	(0.02)
83	FTSE China A50 Index Futures November 2023	16	–
14	FTSE/JSE Top 40 Futures December 2023	(29)	(0.01)
123	Long Gilt Futures December 2023	(213)	(0.05)
21	S&P 500 E Mini Index Futures December 2023	(253)	(0.06)
5	TOPIX Index Futures December 2023	(23)	(0.01)
77	US Treasury Note 10 Year Futures December 2023	(255)	(0.06)
	TOTAL FUTURES	(885)	(0.22)
	Portfolio of investments ⁵	399,202	99.37
	Net other assets	2,528	0.63
	Net assets	401,730	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holding (see note 12).

² Closed end fund.

³ Unlisted security.

⁴ Counterparty: JPMorgan.

⁵ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT continued

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	91,640	Total sales for the year £'000 (note 16)	110,225
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
M&G (Lux) Asian Local Currency Bond	30,248	Eastspring Asian Local Bond	30,428
Long Gilt Futures December 2023	11,671	M&G Sterling Investment Grade	
Long Gilt Futures September 2023	11,457	Corporate Bond	12,706
FTSE/JSE Top 40 Futures March 2023	8,655	Long Gilt Futures September 2023	11,457
M&G SA Equity	8,420	FTSE/JSE Top 40 Futures March 2023	8,655
FTSE/JSE Top 40 Futures June 2023	8,151	FTSE/JSE Top 40 Futures December	
US Treasury Note 10 Year Futures		2022	8,570
September 2023	7,783	FTSE/JSE Top 40 Futures June 2023	8,151
US Treasury Note 10 Year Futures June		US Treasury Note 10 Year Futures	
2023	7,690	September 2023	7,783
US Treasury Note 10 Year Futures		US Treasury Note 10 Year Futures June	
March 2023	7,495	2023	7,690
US Treasury Note 10 Year Futures		M&G (ACS) BlackRock UK All Share	
December 2022	7,210	Equity	7,507
		US Treasury Note 10 Year Futures	
		March 2023	7,495

In addition to the above, purchases totalling £8,816,266,000 and sales totalling £8,781,302,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital gains/(losses)	3		2,475		(62,427)
Revenue	4	15,128		10,868	
Expenses	5	(1,883)		(1,950)	
Interest payable and similar charges	6	(26)		(8)	
Net revenue before taxation		13,219		8,910	
Taxation	7	(1,645)		(1,143)	
Net revenue after taxation			11,574		7,767
Total return before distributions			14,049		(54,660)
Distributions	8		(11,574)		(7,930)
Change in net assets attributable to shareholders from investment activities			2,475		(62,590)

WS PRUDENTIAL RISK MANAGED ACTIVE 3

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			414,944		436,148
Amounts receivable on issue of shares		26,181		67,870	
Amounts payable on redemption of shares		<u>(50,045)</u>		<u>(32,280)</u>	
			(23,864)		35,590
Dilution levy	1(H)		132		-
Change in net assets attributable to shareholders from investment activities			2,475		(62,590)
Retained distributions on Accumulation shares			<u>8,043</u>		<u>5,796</u>
Closing net assets attributable to shareholders			<u>401,730</u>		<u>414,944</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 3**FINANCIAL STATEMENTS** continued**BALANCE SHEET**

as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		400,103	369,896
Current assets			
Debtors	9	4,388	7,429
Cash and cash equivalents	10	4,203	43,430
Total assets		<u>408,694</u>	<u>420,755</u>
LIABILITIES			
Investment liabilities		(901)	(1,016)
Creditors			
Distribution payable	11	(3,111)	(2,199)
Other creditors	11	(2,952)	(2,596)
Total liabilities		<u>(6,964)</u>	<u>(5,811)</u>
Net assets attributable to shareholders		<u>401,730</u>	<u>414,944</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 3

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	1,760	(59,998)
Derivative contracts	1,256	(2,671)
Transaction charges	(4)	2
AMC rebates from underlying investments	–	20
Currency (losses)/gains	(537)	233
Broker's commission on futures	–	(13)
Net capital gains/(losses)	<u>2,475</u>	<u>(62,427)</u>

The net capital gains figure includes realised losses of £7,703,000 and unrealised losses of £29,618,000 (31.10.22: includes realised losses of £3,328,000 and unrealised losses of £39,800,000). The realised losses on investments in the current year include amounts previously recognised as unrealised losses in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	2,866	1,121
Taxable dividends	3,697	2,171
UK property income distributions	–	501
Unfranked interest	4,848	2,664
Revenue from derivative contracts	–	1
AMC rebates from underlying investments	313	630
Bank interest	115	1
Revenue from tax transparent funds	3,254	3,748
Broker interest	19	31
Stock dividends	16	–
Total revenue	15,128	10,868

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them		
Annual Management Charge	1,770	1,855
Legal and professional fees	1	–
	1,771	1,855
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fees	30	32
Safe custody and other bank charges	33	10
	63	42

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	38	43
	49	53
Total expenses	1,883	1,950

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	26	8
Total interest payable and similar charges	26	8

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Corporation tax	1,441	835
Overseas tax	13	–
Adjustments in respect of prior periods	28	159
Tax incurred on tax transparent funds	163	149
Current tax charge	1,645	1,143
Deferred tax – origination and reversal of timing differences (note 7c)	–	–
Total taxation (note 7b)	1,645	1,143

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	13,219	8,910
Corporation tax at 20%	2,644	1,782
Effects of:		
Non-taxable dividends	(1,203)	(951)
Rebated capital expenses deductible for tax purposes	1	4
Corporation tax: adjustments in respect of prior years	28	159
Tax incurred on tax transparent funds	162	149
Corporation tax charge	1,632	1,143
Overseas tax	13	–
Total tax charge (note 7a)	1,645	1,143

c) Deferred tax

There was no deferred tax charge in the current or prior year.

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	11,152	7,995
	11,152	7,995
Add: Revenue deducted on redemption of shares	760	342
Deduct: Revenue received on issue of shares	(338)	(407)
Net distributions for the year	11,574	7,930

Details of the distributions per share are set out in the table on pages 135 and 136.

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Distributions represented by:		
Net revenue after taxation	11,574	7,767
Allocations to capital:		
Tax relief from capital	–	163
Net distributions for the year	11,574	7,930

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	20	2,295
Sales awaiting settlement	–	1,061
Accrued revenue:		
Unfranked interest	21	42
AMC rebates from underlying investments	1,404	1,210
Revenue from tax transparent funds	2,943	2,741
	4,368	3,993
Taxation recoverable:		
Income tax	–	80
Total debtors	4,388	7,429

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	2,133	41,006
Margin account	2,070	2,424
Total cash and cash equivalents	4,203	43,430

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	3,111	2199
Other Creditors		
Amounts payable for redemption of shares	1,564	465
Purchases awaiting settlement	–	1,153
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	142	147
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	10	3
Transaction charges	1	1
Safe custody and other bank charges	6	3
	17	7
Taxation payable:		
Corporation tax	1,039	634
Tax incurred on tax transparent funds	149	149
	1,188	783
Other expenses	11	10
Expenses from tax transparent funds	30	31
Total other creditors	2,952	2,596

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

12. Related Party Transactions

The Annual Management Charge payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 119 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 147,501 (31.10.22: 121,468) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 49,502,690 (31.10.22: 45,802,942) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited 41.04 % (31.10.22: 38.84%)

As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	326,421	261,422

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.74%	0.74%	0.00%
Opening shares in issue	5,790,210	886,328	57,392,828
Issues	186,055	29,408	8,509,468
Redemptions	(1,275,168)	(194,468)	(6,060,250)
Conversions	(345,778)	(54,495)	–
Closing shares in issue	<u>4,355,319</u>	<u>666,773</u>	<u>59,842,046</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.49%	0.49%	0.74%
Opening shares in issue	202,970,691	8,151,379	22,595,543
Issues	5,821,817	747,968	2,143,031
Redemptions	(21,335,858)	(1,894,012)	(3,576,548)
Conversions	445,031	76,898	(5,508)
Closing shares in issue	<u>187,901,681</u>	<u>7,082,233</u>	<u>21,156,518</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the balance sheet date. Details of the individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(885)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(1,010)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	2,822	1,646
Hong Kong dollars	42	–
Japanese yen	383	300
South African rand	8,058	1,076
US dollars	4,825	33,098
Total foreign currency exposure	16,130	36,120
Pounds sterling	385,600	378,824
Net assets	401,730	414,944

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £807,000 on the net assets of the Fund (31.10.22: £1,806,000).

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 1:1 and leverage under the commitment method was 1:1 (31.10.22: 0.89:1 and 1:1 respectively).

WS PRUDENTIAL RISK MANAGED ACTIVE 3

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 78.69% of the portfolio can be liquidated within 5 days and 80.25% within 21 working days (31.10.22: 93.21% within 5 days and 94.26% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £19,960,000 (31.10.22: £18,444,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and the related counterparty are disclosed in the Portfolio of Investments.

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	758	–	4	762
Collective investment schemes	90,869	4	5	90,878
Purchases total	91,627	4	9	91,640
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	1,077	–	–	1,077
Collective investment schemes	109,150	(2)	–	109,148
Sales total	110,227	(2)	–	110,225
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.38% (31.10.22: 0.45%).

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	1,596	–	8	1,604
Collective investment schemes	187,365	7	4	187,376
Purchases total	188,961	7	12	188,980
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	1,335	–	–	1,335
Collective investment schemes	151,986	(6)	–	151,980
Sales total	153,321	(6)	–	153,315
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

31.10.23	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	27,505	371,194	1,404	400,103
Investment liabilities	(901)	–	–	(901)

31.10.22	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	27,137	342,759	–	369,896
Investment liabilities	(1,016)	–	–	(1,016)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	177.02	188.16	6.30%
A Income	153.72	159.35	3.67%
C Income	155.14	160.12	3.21%
P Accumulation	139.60	148.48	6.36%
P Income	120.90	125.15	3.51%
R Accumulation	157.55	167.47	6.30%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED ACTIVE 3

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	4.3911	–	4.3911	2.8002
Group 2	2.3821	2.0090	4.3911	2.8002

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.8140	–	3.8140	2.4716
Group 2	3.8140	0.0000	3.8140	2.4716

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	4.7725	–	4.7725	3.4805
Group 2	2.7256	2.0469	4.7725	3.4805

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.7392	–	3.7392	2.4981
Group 2	1.9187	1.8205	3.7392	2.4981

WS PRUDENTIAL RISK MANAGED ACTIVE 3
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.2381	–	3.2381	2.2041
Group 2	1.7661	1.4720	3.2381	2.2041

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.9038	–	3.9038	2.4924
Group 2	2.3601	1.5437	3.9038	2.4924

WS PRUDENTIAL RISK MANAGED ACTIVE 4 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Active 4 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 14.5%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 14.5%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a bias towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 40-85% shares sector.

The Fund's performance may be compared against the IA Mixed Investment 40-85% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Active 4
29 February 2024

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 4.01%, P (Acc) 4.26% and A (Acc) 3.98% produced returns ahead of the 1.96% sector average for the IA Mixed Investment 40-85% shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED ACTIVE 4 ACD'S REPORT continued PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G European Property Fund
- Apax Global Alpha Ltd
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- Legal & General Global Infrastructure Index Fund
- M&G (ACS) BlackRock Canada Index Fund
- M&G (ACS) Manulife US Equity Fund
- M&G (ACS) Matthews China Equity Fund
- M&G European Sustain Paris Aligned Fund
- M&G (Lux) Sterling Liquidity Fund
- M&G (ACS) US Large Cap Equity Fund
- M&G (ACS) William Blair US Large Cap Equity Fund

The Fund exited:

- M&G North American Value Fund
- M&G Recovery Fund
- Round Hill Music Royalty Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

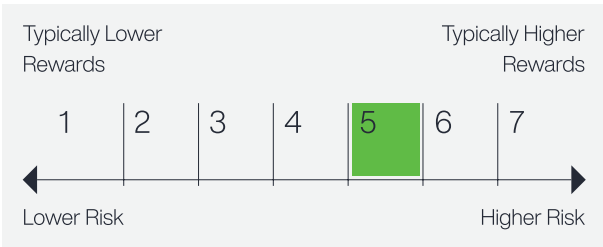
With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager
17 November 2023

WS PRUDENTIAL RISK MANAGED ACTIVE 4
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

During the year the indicator changed from 4 to 5. The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 4 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in the exchange rate may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	185.33	207.50	176.36
Return before operating charges*	8.37	(20.43)	32.72
Operating charges	(1.74)	(1.74)	(1.58)
Return after operating charges	6.63	(22.17)	31.14
Distributions	(4.76)	(3.24)	(3.34)
Retained distributions on accumulation shares	4.76	3.24	3.34
Closing net asset value per share	191.96	185.33	207.50
* after direct transaction costs of:	0.01	0.02	0.02

PERFORMANCE

Return after charges	3.58%	(10.68)%	17.66%
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OTHER INFORMATION

Closing net asset value (£'000)	9,198	10,682	12,568
Closing number of shares	4,791,936	5,763,623	6,056,779
Operating charges	0.88%	0.86%	0.79%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	205.78	212.93	211.37
Lowest share price	185.64	183.72	176.78

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	164.32	187.25	161.71
Return before operating charges*	7.45	(18.44)	30.05
Operating charges	(1.54)	(1.57)	(1.45)
Return after operating charges	5.91	(20.01)	28.60
Distributions	(4.21)	(2.92)	(3.06)
Closing net asset value per share	166.02	164.32	187.25
* after direct transaction costs of:	0.01	0.02	0.02

PERFORMANCE

Return after charges	3.60%	(10.69)%	17.69%
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OTHER INFORMATION

Closing net asset value (£'000)	1,149	1,308	1,275
Closing number of shares	692,329	796,212	680,729
Operating charges	0.88%	0.86%	0.79%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	182.50	192.19	193.88
Lowest share price	164.59	165.83	162.09

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	164.81	187.92	162.28
Return before operating charges*	7.20	(18.86)	29.91
Operating charges	(0.25)	(0.22)	(0.09)
Return after operating charges	6.95	(19.08)	29.82
Distributions	(5.28)	(4.03)	(4.18)
Closing net asset value per share	166.48	164.81	187.92
* after direct transaction costs of:	0.01	0.02	0.02

PERFORMANCE

Return after charges	4.22%	(10.15)%	18.38%
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OTHER INFORMATION

Closing net asset value (£'000)	93,432	93,784	116,881
Closing number of shares	56,122,798	56,904,296	62,197,988
Operating charges	0.14%	0.12%	0.05%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	183.41	193.09	195.55
Lowest share price	165.08	167.39	162.68

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	142.85	159.63	135.37
Return before operating charges*	6.46	(15.83)	25.09
Operating charges	(0.96)	(0.95)	(0.83)
Return after operating charges	5.50	(16.78)	24.26
Distributions	(3.97)	(2.81)	(2.88)
Retained distributions on accumulation shares	3.97	2.81	2.88
Closing net asset value per share	148.35	142.85	159.63
* after direct transaction costs of:	0.01	0.01	0.01

PERFORMANCE

Return after charges	3.85%	(10.51)%	17.92%
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OTHER INFORMATION

Closing net asset value (£'000)	182,640	184,996	190,509
Closing number of shares	123,115,660	129,505,647	119,346,041
Operating charges	0.63%	0.61%	0.54%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	158.83	164.02	162.74
Lowest share price	143.09	141.64	135.70

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	124.65	142.08	122.70
Return before operating charges*	5.69	(14.08)	22.74
Operating charges	(0.84)	(0.85)	(0.75)
Return after operating charges	4.85	(14.93)	21.99
Distributions	(3.47)	(2.50)	(2.61)
Closing net asset value per share	126.03	124.65	142.08
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.89%	(10.51)%	17.92%
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OTHER INFORMATION

Closing net asset value (£'000)	6,429	6,905	7,559
Closing number of shares	5,100,899	5,539,498	5,320,026
Operating charges	0.63%	0.61%	0.54%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	138.65	146.08	147.58
Lowest share price	124.85	126.07	122.99

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	165.09	184.84	157.06
Return before operating charges*	7.49	(18.20)	29.19
Operating charges	(1.55)	(1.55)	(1.41)
Return after operating charges	5.94	(19.75)	27.78
Distributions	(4.24)	(2.89)	(2.97)
Retained distributions on accumulation shares	4.24	2.89	2.97
Closing net asset value per share	171.03	165.09	184.84
* after direct transaction costs of:	0.01	0.02	0.02

PERFORMANCE

Return after charges	3.60%	(10.68)%	17.69%
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OTHER INFORMATION

Closing net asset value (£'000)	23,041	23,895	22,470
Closing number of shares	13,471,707	14,474,330	12,156,710
Operating charges	0.88%	0.86%	0.79%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	183.35	189.73	188.34
Lowest share price	165.37	163.69	157.44

WS PRUDENTIAL RISK MANAGED ACTIVE 4
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Active 4	4.26	9.44	12.88
IA Mixed Investment 40-85% shares sector ¹	1.96	9.34	17.49

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 172 and 173.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 48.16% (31.10.22 – 48.22%)		
	CONTINENTAL EUROPE – 6.07% (31.10.22 – 6.96%)		
5,065,039	M&G (Lux) Europe Ex UK Equity ¹	5,192	1.64
8,937,763	M&G (Lux) Europe Ex UK Equity NPV ¹	10,358	3.28
2,550,331	M&G (Lux) Pan European Smaller Companies ¹	1,928	0.61
1,708,047	M&G European Sustain Paris Aligned ¹	1,724	0.54
	TOTAL CONTINENTAL EUROPE	19,202	6.07
	UNITED KINGDOM – 14.69% (31.10.22 – 17.68%)		
14,103,664	M&G (ACS) BlackRock UK All Share Equity ¹	14,184	4.50
18,433,221	M&G (ACS) UK 200 Index ¹	18,350	5.81
9,955,080	M&G (ACS) UK Listed Equity ¹	11,613	3.68
2,428,673	M&G (ACS) UK Listed Smaller Companies ¹	2,221	0.70
	TOTAL UNITED KINGDOM	46,368	14.69
	ASIA EX JAPAN – 8.67% (31.10.22 – 8.09%)		
1,601,897	M&G (ACS) Matthews China Equity ¹	1,548	0.49
25,718,647	M&G Asia Pacific Ex Japan ¹	25,837	8.18
	TOTAL ASIA EX JAPAN	27,385	8.67
	JAPAN – 3.66% (31.10.22 – 3.63%)		
8,942,165	M&G (ACS) Japan Equity ¹	11,001	3.48
499,470	M&G (ACS) Japan Smaller Companies ¹	566	0.18
	TOTAL JAPAN	11,567	3.66
	NORTH AMERICA – 7.14% (31.10.22 – 7.13%)		
2,487,346	M&G (ACS) BlackRock Canada Index ¹	2,287	0.72
15,098,623	M&G (ACS) BlackRock US Equity ¹	16,377	5.18
1,041,623	M&G (ACS) Earnest Partners US ¹	1,074	0.34
1,031,032	M&G (ACS) Granahan US Small Capital Growth ¹	868	0.27

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
2,131,600	M&G (ACS) Manulife US Equity ¹	2,004	0.63
1,000	M&G (ACS) US Large Cap Equity ¹	1	–
1,000	M&G (ACS) William Blair US Large Cap Equity ¹	1	–
	TOTAL NORTH AMERICA	22,612	7.14
	AFRICA – 2.51% (31.10.22 – 0.00%)		
20,167,652	M&G SA Equity ¹	7,941	2.51
	EMERGING MARKETS – 5.42% (31.10.22 – 4.73%)		
492,386	iShares MSCI India	3,018	0.96
6,153,007	M&G (ACS) China ¹	4,042	1.28
4,739,532	M&G (ACS) China Equity ¹	2,799	0.89
3,318,022	M&G GSAM Global Emerging Markets Equity ¹	2,348	0.75
56,539	M&G Invesco Global Emerging Markets ¹	44	0.01
1,275,205	M&G Lazard Global Emerging Markets Equity ¹	1,303	0.41
3,866,313	M&G MFS Global Emerging Markets Equity ¹	3,529	1.12
	TOTAL EMERGING MARKETS	17,083	5.42
	TOTAL EQUITY PORTFOLIOS	152,158	48.16
	EQUITY INVESTMENT INSTRUMENTS – 4.21% (31.10.22 – 3.33%)		
113,368	Apax Global Alpha ²	173	0.05
754,535	BBGI ²	960	0.30
204,040	BH Macro ²	742	0.23
720,873	BioPharma Credit ²	491	0.16
19,460	Boussard & Gavaudan ²	407	0.13
1,217,010	DP Aircraft I ²	55	0.02
612,662	Ecofin US Renewables Infrastructure Trust ²	288	0.09
49,022	HarbourVest Global Private Equity ²	1,057	0.33
120,575	HgCapital ²	443	0.14
7,645,503	Legal & General Global Infrastructure Index	5,548	1.76
295,217	NB Distressed Debt Investment ²	141	0.04

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
889,255	NextEnergy Solar ²	691	0.22
476,700	Pantheon Infrastructure ²	364	0.12
123,280	Petershill Partners ²	182	0.06
21,464	Princess Private Equity ²	181	0.06
626,632	Renewables Infrastructure ²	630	0.20
1,590,591	SDCL Energy Efficiency Income ²	934	0.30
	TOTAL EQUITY INVESTMENT INSTRUMENTS	13,287	4.21
	PROPERTY PORTFOLIOS – 8.22% (31.10.22 – 7.51%)		
395,209	iShares Asia Property Yield	6,126	1.94
143,656	iShares European Property Yield	2,977	0.94
772,170	iShares UK Property	3,017	0.96
9,712,178	Legal & General UK Property	9,521	3.01
8,540	M&G European Property ^{1,3}	1,184	0.38
276,107	M&G Property Portfolio ¹	3,125	0.99
	TOTAL PROPERTY PORTFOLIOS	25,950	8.22
	BOND PORTFOLIOS – 30.96% (31.10.22 – 30.84%)		
1,800,758	Eastspring Asian Local Bond	18,276	5.78
583,961	M&G (Lux) Asian Corporate Bond ¹	5,617	1.78
1,751,957	M&G (Lux) Asian Local Currency Bond ¹	17,016	5.39
1,321,852	M&G Credit Income Investment Trust ^{1,2}	1,203	0.38
9,894,927	M&G Emerging Markets Bond ¹	10,769	3.41
27,782	M&G European Credit Investment ¹	2,944	0.93
945,732	M&G Global Convertibles ¹	2,265	0.72
8,792,313	M&G Global High Yield Bond ¹	11,591	3.67
32,921,434	M&G Sterling Investment Grade Corporate Bond ¹	28,118	8.90
	TOTAL BOND PORTFOLIOS	97,799	30.96
	MONEY MARKETS – 7.93% (31.10.22 – 0.00%)		
25,050,000	M&G (Lux) Sterling Liquidity ¹	25,050	7.93

WS PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	FUTURES – (0.20)% (31.10.22 – (0.25)%) ⁴		
23	EURO STOXX 50 Index Futures December 2023	(42)	(0.01)
36	FTSE 100 Index Futures December 2023	(85)	(0.03)
66	FTSE China A50 Index Futures November 2023	12	–
14	FTSE/JSE Top 40 Futures December 2023	(28)	(0.01)
78	Long Gilt Futures December 2023	(135)	(0.04)
14	S&P 500 E Mini Index Futures December 2023	(169)	(0.05)
5	TOPIX Index Futures December 2023	(23)	(0.01)
45	US Treasury Note 10 Year Futures December 2023	(149)	(0.05)
	TOTAL FUTURES	(619)	(0.20)
	Portfolio of investments ⁵	313,625	99.28
	Net other assets	2,264	0.72
	Net assets	315,889	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holding (see note 12).

² Closed end fund.

³ Unlisted security.

⁴ Counterparty: JPMorgan.

⁵ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
ACD'S REPORT continued
SUMMARY OF MATERIAL PORTFOLIO CHANGES
for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	74,330	Total sales for the year £'000 (note 16)	83,484
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
M&G (Lux) Asian Local Currency Bond	17,921	Eastspring Asian Local Bond	17,462
FTSE/JSE Top 40 Futures March 2023	8,591	FTSE 100 Index Futures December	
M&G SA Equity	8,517	2022	9,790
FTSE/JSE Top Futures 40 June 2023	8,152	FTSE/JSE Top Futures 40 March 2023	8,591
Long Gilt Futures December 2023	7,401	FTSE/JSE Top Futures 40 December	
Long Gilt Future September 2023	7,323	2022	8,507
FTSE 100 Index Futures March 2023	6,572	FTSE/JSE Top Futures 40 June 2023	8,152
FTSE 100 Index Futures December		Long Gilt Futures September 2023	7,323
2022	6,527	M&G (Lux) Europe Ex UK Equity NPV	7,063
Legal & General Global Infrastructure		M&G North American Value	6,998
Index	5,788	M&G Sterling Investment Grade	
S&P 500 E Mini Index Futures		Corporate Bond	6,716
September 2023	4,846	M&G (ACS) BlackRock UK All Share	
		Equity	6,699

In addition to the above, purchases totalling £6,576,453,000 and sales totalling £6,552,852,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital gains/(losses)	3		3,878		(44,369)
Revenue	4	11,521		8,766	
Expenses	5	(1,360)		(1,364)	
Interest payable and similar charges	6	(3)		(3)	
Net revenue before taxation		10,158		7,399	
Taxation	7	(1,062)		(705)	
Net revenue after taxation			9,096		6,694
Total return before distributions			12,974		(37,675)
Distributions	8		(9,097)		(6,695)
Change in net assets attributable to shareholders from investment activities			3,877		(44,370)

WS PRUDENTIAL RISK MANAGED ACTIVE 4

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			321,570		351,262
Amounts receivable on issue of shares		20,691		39,497	
Amounts payable on redemption of shares		<u>(36,039)</u>		<u>(29,060)</u>	
			(15,348)		10,437
Dilution levy	1(H)		101		-
Change in net assets attributable to shareholders from investment activities			3,877		(44,370)
Retained distributions on Accumulation shares			<u>5,689</u>		<u>4,241</u>
Closing net assets attributable to shareholders			<u>315,889</u>		<u>321,570</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
BALANCE SHEET
as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		314,256	289,081
Current assets			
Debtors	9	4,189	4,742
Cash and cash equivalents	10	2,964	32,783
Total assets		<u>321,409</u>	<u>326,606</u>
LIABILITIES			
Investment liabilities		(631)	(808)
Creditors			
Distribution payable	11	(3,169)	(2,457)
Other creditors	11	(1,720)	(1,771)
Total liabilities		<u>(5,520)</u>	<u>(5,036)</u>
Net assets attributable to shareholders		<u>315,889</u>	<u>321,570</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 4

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	2,820	(42,648)
Derivative contracts	1,610	(1,941)
Transaction charges	(3)	(4)
AMC rebates from underlying investments	–	4
Currency (losses)/gains	(549)	231
Broker's commission on futures	–	(11)
Net capital gains/(losses)	<u>3,878</u>	<u>(44,369)</u>

The net capital gains figure includes realised losses of £3,568,000 and unrealised losses of £18,428,000 (31.10.22: includes realised losses of £1,107,000 and unrealised losses of £25,877,000). The realised investments in the current year include amounts previously recognised as unrealised losses in the prior losses on year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	2,665	941
Taxable dividends	4,118	1,240
UK property income distributions	31	446
Unfranked interest	1,088	1,813
AMC rebates from underlying investments	246	462
Bank interest	82	1
Revenue from tax transparent funds	3,262	3,833
Broker interest	15	30
Stock dividends	14	–
Total revenue	11,521	8,766

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	1,255	1,274
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fees	25	26
Safe custody and other bank charges	31	9
	56	35

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	38	45
	49	55
Total expenses	1,360	1,364

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	3	3
Total interest payable and similar charges	3	3

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Corporation tax	869	547
Overseas tax	13	–
Adjustments in respect of prior periods	16	–
Tax incurred on tax transparent funds	164	158
Current tax charge	1,062	705
Deferred tax – origination and reversal of timing differences (note 7c)	–	–
Total taxation (note 7b)	1,062	705

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	10,158	7,399
Corporation tax at 20%	2,032	1,480
Effects of:		
Non-taxable dividends	(1,163)	(934)
Rebated capital expenses deductible for tax purposes	–	1
Corporation tax: adjustments in respect of prior years	16	–
Tax incurred on tax transparent funds	164	158
Corporation tax charge	1,049	705
Overseas tax	13	–
Total tax charge (note 7a)	1,062	705

c) Deferred tax

There was no deferred tax charge in the current or prior year.

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	8,858	6,698
	8,858	6,698
Add: Revenue deducted on redemption of shares	555	301
Deduct: Revenue received on issue of shares	(316)	(304)
Net distributions for the year	9,097	6,695

Details of the distributions per share are set out in the table on pages 172 and 173.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Distributions represented by:		
Net revenue after taxation	9,096	6,694
Allocations to capital:		
Tax relief from capital	–	1
Equalisation on conversions ¹	1	–
Net distributions for the year	<u>9,097</u>	<u>6,695</u>

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	16	22
Sales awaiting settlement	–	829
Accrued revenue:		
Non-taxable dividends	17	–
Unfranked interest	–	35
AMC rebates from underlying investments	1,152	1,012
Revenue from tax transparent funds	3,004	2,773
	4,173	3,820
Taxation recoverable:		
Income tax	–	71
Total debtors	<u>4,189</u>	<u>4,742</u>

¹ Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	1,492	30,621
Margin account	1,472	2,162
Total cash and cash equivalents	2,964	32,783

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	3,169	2,457
Other Creditors		
Amounts payable for redemption of shares	779	413
Purchases awaiting settlement	–	640
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	102	103
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	8	2
Transaction charges	1	1
Safe custody and other bank charges	9	3
	18	6
Taxation payable:		
Corporation tax	627	417
Tax incurred on tax transparent funds	152	150
	779	567

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Other expenses	11	10
Expenses from tax transparent funds	31	32
Total other creditors	1,720	1,771

12. Related Party Transactions

The Annual Management Charge payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 156 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 89,546 (31.10.22: 64,395) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 38,437,411 (31.10.22: 37,289,819) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited	22.89% (31.10.22: 22.59%)
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As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	258,022	215,402

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.74%	0.74%	0.00%
Opening shares in issue	5,763,623	796,212	56,904,296
Issues	119,781	78,336	5,486,715
Redemptions	(639,381)	(139,663)	(6,268,213)
Conversions	(452,087)	(42,556)	–
Closing shares in issue	<u>4,791,936</u>	<u>692,329</u>	<u>56,122,798</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.49%	0.49%	0.74%
Opening shares in issue	129,505,647	5,539,498	14,474,330
Issues	5,064,302	635,265	1,376,768
Redemptions	(12,043,772)	(1,129,855)	(2,375,903)
Conversions	589,483	55,991	(3,488)
Closing shares in issue	<u>123,115,660</u>	<u>5,100,899</u>	<u>13,471,707</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the balance sheet date. Details of the individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(619)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(802)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	2,393	1,428
Hong Kong dollars	42	–
Japanese yen	294	204
South African rand	8,219	1,059
US dollars	4,509	20,830
Total foreign currency exposure	15,457	23,521
Pounds sterling	300,432	298,049
Net assets	315,889	321,570

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £773,000 on the net assets of the Fund (31.10.22: £1,176,000).

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 1:1 and leverage under the commitment method was 1:1 (31.10.22: 0.90:1 and 1:1 respectively).

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 80.97% of the portfolio can be liquidated within 5 days and 82.75% within 21 working days (31.10.22: 94.38% within 5 days and 95.49% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £15,681,000 (31.10.22: £14,414,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and the related counterparty are disclosed in the Portfolio of Investments.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	665	–	3	668
Collective investment schemes	73,655	3	4	73,662
Purchases total	74,320	3	7	74,330
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	1,582	–	–	1,582
Collective investment schemes	81,904	(2)	–	81,902
Sales total	83,486	(2)	–	83,484
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.42% (31.10.22: 0.47%).

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	1,301	–	7	1,308
Collective investment schemes	126,599	6	3	126,608
Purchases total	127,900	6	10	127,916
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	666	–	–	666
Collective investment schemes	112,734	(5)	–	112,729
Sales total	113,400	(5)	–	113,395
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

31.10.23	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	24,092	288,980	1,184	314,256
Investment liabilities	(631)	–	–	(631)

31.10.22	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	23,599	265,482	–	289,081
Investment liabilities	(808)	–	–	(808)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	192.49	205.30	6.66%
A Income	170.71	177.58	4.03%
C Income	172.23	178.39	3.57%
P Accumulation	148.76	158.76	6.72%
P Income	129.85	134.88	3.87%
R Accumulation	171.51	182.93	6.66%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED ACTIVE 4

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	4.7561	–	4.7561	3.2395
Group 2	2.9953	1.7608	4.7561	3.2395

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	4.2098	–	4.2098	2.9236
Group 2	2.8618	1.3480	4.2098	2.9236

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	5.2788	–	5.2788	4.0327
Group 2	1.8818	3.3970	5.2788	4.0327

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.9723	–	3.9723	2.8082
Group 2	2.0641	1.9082	3.9723	2.8082

WS PRUDENTIAL RISK MANAGED ACTIVE 4
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.4652	–	3.4652	2.5004
Group 2	1.7110	1.7542	3.4652	2.5004

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	4.2353	–	4.2353	2.8862
Group 2	1.9769	2.2584	4.2353	2.8862

WS PRUDENTIAL RISK MANAGED ACTIVE 5 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Active 5 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 17%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 17%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a high exposure towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

WS PRUDENTIAL RISK MANAGED ACTIVE 5 ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA Flexible Investment shares sector.

The Fund's performance may be compared against the IA Flexible Investment shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Active 5

29 February 2024

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 4.62%, P (Acc) 4.89% and A (Acc) 4.61% produced returns ahead of the 1.85% sector average for IA Flexible Investment shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G European Property Fund
- Apax Global Alpha Ltd
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- Legal & General Global Infrastructure Index Fund
- M&G (ACS) BlackRock Canada Index Fund
- M&G (ACS) Manulife US Equity Fund
- M&G (ACS) Matthews China Equity Fund
- M&G European Sustain Paris Aligned Fund
- M&G (Lux) Sterling Liquidity Fund
- M&G (ACS) US Large Cap Equity Fund
- M&G (ACS) William Blair US Large Cap Equity Fund

The Fund exited:

- M&G North American Value Fund
- M&G Recovery Fund
- Round Hill Music Royalty Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

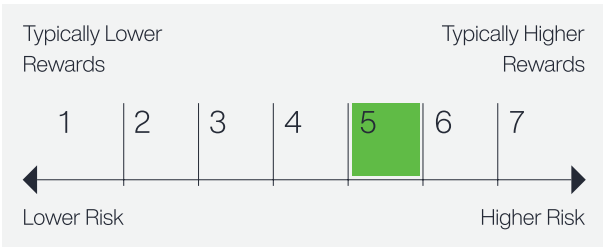
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

17 November 2023

WS PRUDENTIAL RISK MANAGED ACTIVE 5
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 5 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in the exchange rate may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	201.05	223.06	183.77
Return before operating charges*	10.21	(20.10)	41.09
Operating charges	(1.96)	(1.91)	(1.80)
Return after operating charges	8.25	(22.01)	39.29
Distributions	(5.10)	(3.68)	(3.72)
Retained distributions on accumulation shares	5.10	3.68	3.72
Closing net asset value per share	209.30	201.05	223.06
* after direct transaction costs of:	0.01	0.02	0.02

PERFORMANCE

Return after charges	4.10%	(9.87)%	21.38%
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OTHER INFORMATION

Closing net asset value (£'000)	5,144	5,504	6,301
Closing number of shares	2,457,740	2,737,615	2,824,786
Operating charges	0.91%	0.87%	0.84%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	224.79	230.87	227.54
Lowest share price	202.22	198.62	184.66

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	182.24	205.95	172.53
Return before operating charges*	9.25	(18.57)	38.60
Operating charges	(1.78)	(1.75)	(1.69)
Return after operating charges	7.47	(20.32)	36.91
Distributions	(4.60)	(3.39)	(3.49)
Closing net asset value per share	185.11	182.24	205.95
* after direct transaction costs of:	0.01	0.02	0.02

PERFORMANCE

Return after charges	4.10%	(9.86)%	21.40%
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OTHER INFORMATION

Closing net asset value (£'000)	178	257	225
Closing number of shares	96,261	141,244	109,098
Operating charges	0.91%	0.87%	0.84%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	203.78	213.15	213.62
Lowest share price	183.31	183.39	173.35

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	182.91	206.83	173.24
Return before operating charges*	8.99	(19.02)	38.51
Operating charges	(0.33)	(0.27)	(0.20)
Return after operating charges	8.66	(19.29)	38.31
Distributions	(5.81)	(4.63)	(4.72)
Closing net asset value per share	185.76	182.91	206.83
* after direct transaction costs of:	0.01	0.02	0.02

PERFORMANCE

Return after charges	4.73%	(9.33)%	22.12%
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OTHER INFORMATION

Closing net asset value (£'000)	37,154	36,496	42,437
Closing number of shares	20,000,760	19,953,080	20,518,190
Operating charges	0.17%	0.13%	0.10%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	204.95	214.32	215.61
Lowest share price	184.00	185.23	174.09

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	148.95	164.93	135.58
Return before operating charges*	7.58	(14.97)	30.28
Operating charges	(1.06)	(1.01)	(0.93)
Return after operating charges	6.52	(15.98)	29.35
Distributions	(4.10)	(3.05)	(3.07)
Retained distributions on accumulation shares	4.10	3.05	3.07
Closing net asset value per share	155.47	148.95	164.93
* after direct transaction costs of:	0.01	0.02	0.01

PERFORMANCE

Return after charges	4.38%	(9.69)%	21.65%
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OTHER INFORMATION

Closing net asset value (£'000)	73,688	73,150	79,309
Closing number of shares	47,397,369	49,110,242	48,085,264
Operating charges	0.66%	0.62%	0.59%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	166.76	170.95	168.38
Lowest share price	150.01	147.14	136.44

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	131.30	148.43	124.34
Return before operating charges*	6.73	(13.49)	27.76
Operating charges	(0.93)	(0.90)	(0.86)
Return after operating charges	5.80	(14.39)	26.90
Distributions	(3.61)	(2.74)	(2.81)
Closing net asset value per share	133.49	131.30	148.43
* after direct transaction costs of:	0.01	0.01	0.01

PERFORMANCE

Return after charges	4.42%	(9.69)%	21.64%
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OTHER INFORMATION

Closing net asset value (£'000)	1,420	1,368	1,575
Closing number of shares	1,063,644	1,041,845	1,061,102
Operating charges	0.66%	0.62%	0.59%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	147.06	153.96	154.50
Lowest share price	132.32	132.41	125.19

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	177.11	196.50	161.86
Return before operating charges*	9.01	(17.71)	36.23
Operating charges	(1.73)	(1.68)	(1.59)
Return after operating charges	7.28	(19.39)	34.64
Distributions	(4.48)	(3.24)	(3.28)
Retained distributions on accumulation shares	4.48	3.24	3.28
Closing net asset value per share	184.39	177.11	196.50
* after direct transaction costs of:	0.01	0.02	0.02

PERFORMANCE

Return after charges	4.11%	(9.87)%	21.40%
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OTHER INFORMATION

Closing net asset value (£'000)	10,836	10,759	11,191
Closing number of shares	5,876,797	6,074,497	5,695,426
Operating charges	0.91%	0.87%	0.84%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	198.05	203.40	200.47
Lowest share price	178.20	174.97	162.71

WS PRUDENTIAL RISK MANAGED ACTIVE 5
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Active 5	4.89	14.54	15.45
IA Flexible Investment shares sector ¹	1.85	10.88	20.20

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 209 and 210.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 59.11% (31.10.22 – 59.69%)		
	CONTINENTAL EUROPE – 7.52% (31.10.22 – 8.54%)		
2,559,542	M&G (Lux) Europe Ex UK Equity ¹	2,624	2.04
4,497,428	M&G (Lux) Europe Ex UK Equity NPV ¹	5,212	4.06
1,294,073	M&G (Lux) Pan European Smaller Companies ¹	979	0.76
839,844	M&G European Sustain Paris Aligned ¹	848	0.66
	TOTAL CONTINENTAL EUROPE	9,663	7.52
	UNITED KINGDOM – 18.17% (31.10.22 – 21.96%)		
7,014,895	M&G (ACS) BlackRock UK All Share Equity ¹	7,055	5.49
9,239,236	M&G (ACS) UK 200 Index ¹	9,198	7.16
5,118,085	M&G (ACS) UK Listed Equity ¹	5,970	4.65
1,221,895	M&G (ACS) UK Listed Smaller Companies ¹	1,118	0.87
	TOTAL UNITED KINGDOM	23,341	18.17
	ASIA EX JAPAN – 10.66% (31.10.22 – 10.00%)		
819,360	M&G (ACS) Matthews China Equity ¹	792	0.62
12,839,580	M&G Asia Pacific Ex Japan ¹	12,899	10.04
	TOTAL ASIA EX JAPAN	13,691	10.66
	JAPAN – 4.56% (31.10.22 – 4.72%)		
4,525,880	M&G (ACS) Japan Equity ¹	5,568	4.34
253,751	M&G (ACS) Japan Smaller Companies ¹	287	0.22
	TOTAL JAPAN	5,855	4.56
	NORTH AMERICA – 8.62% (31.10.22 – 8.65%)		
1,265,992	M&G (ACS) BlackRock Canada Index ¹	1,164	0.91
7,273,552	M&G (ACS) BlackRock US Equity ¹	7,889	6.14
507,731	M&G (ACS) Earnest Partners US ¹	523	0.41
639,462	M&G (ACS) Granahan US Small Capital Growth ¹	539	0.42

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
1,004,260	M&G (ACS) Manulife US Equity ¹	944	0.74
1,000	M&G (ACS) US Large Cap Equity ¹	1	–
1,000	M&G (ACS) William Blair US Large Cap Equity ¹	1	–
	TOTAL NORTH AMERICA	11,061	8.62
	AFRICA – 3.14% (31.10.22 – 0.00%)		
10,231,587	M&G SA Equity ¹	4,029	3.14
	EMERGING MARKETS – 6.44% (31.10.22 – 5.82%)		
250,115	iShares MSCI India	1,533	1.19
3,101,355	M&G (ACS) China ¹	2,037	1.58
2,192,398	M&G (ACS) China Equity ¹	1,294	1.01
1,625,772	M&G GSAM Global Emerging Markets Equity ¹	1,151	0.90
27,498	M&G Invesco Global Emerging Markets ¹	21	0.02
480,450	M&G Lazard Global Emerging Markets Equity ¹	491	0.38
1,916,240	M&G MFS Global Emerging Markets Equity ¹	1,749	1.36
	TOTAL EMERGING MARKETS	8,276	6.44
	TOTAL EQUITY PORTFOLIOS	75,916	59.11
	EQUITY INVESTMENT INSTRUMENTS – 4.95% (31.10.22 – 3.62%)		
51,784	Apax Global Alpha ²	79	0.06
340,373	BBGI ²	433	0.34
88,010	BH Macro ²	320	0.25
330,154	BioPharma Credit ²	225	0.18
8,451	Boussard & Gavaudan ²	177	0.14
617,264	DP Aircraft I ²	28	0.02
266,950	Ecofin US Renewables Infrastructure Trust ²	125	0.10
21,912	HarbourVest Global Private Equity ²	472	0.37
52,113	HgCapital Trust ²	191	0.15
3,974,893	Legal & General Global Infrastructure Index	2,885	2.25
135,702	NB Distressed Debt Investment ²	65	0.05

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
403,599	NextEnergy Solar ²	314	0.24
221,500	Pantheon Infrastructure ²	169	0.13
55,569	Petershill Partners ²	82	0.06
9,806	Princess Private Equity ²	83	0.06
286,084	Renewables Infrastructure ²	288	0.22
717,481	SDCL Energy Efficiency Income ²	421	0.33
	TOTAL EQUITY INVESTMENT INSTRUMENTS	6,357	4.95
	PROPERTY PORTFOLIOS – 9.73% (31.10.22 – 8.57%)		
190,541	iShares Asia Property Yield	2,953	2.30
72,896	iShares European Property Yield	1,511	1.18
381,561	iShares UK Property	1,491	1.16
4,705,474	Legal & General UK Property	4,613	3.59
4,027	M&G European Property ^{1,3}	558	0.43
121,503	M&G Property Portfolio ¹	1,375	1.07
	TOTAL PROPERTY PORTFOLIOS	12,501	9.73
	BOND PORTFOLIOS – 18.41% (31.10.22 – 18.09%)		
359,139	Eastspring Asian Local Bond	3,645	2.84
142,407	M&G (Lux) Asian Corporate Bond ¹	1,370	1.07
450,159	M&G (Lux) Asian Local Currency Bond ¹	4,372	3.40
328,082	M&G Credit Income Investment Trust ^{1,2}	299	0.23
3,030,598	M&G Emerging Markets Bond ¹	3,298	2.57
2,717	M&G European Credit Investment ¹	288	0.22
229,925	M&G Global Convertibles ¹	551	0.43
2,589,353	M&G Global High Yield Bond ¹	3,413	2.66
7,499,647	M&G Sterling Investment Grade Corporate Bond ¹	6,405	4.99
	TOTAL BOND PORTFOLIOS	23,641	18.41

WS PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	MONEY MARKETS – 6.59% (31.10.22 – 0.00%)		
8,457,000	M&G (Lux) Sterling Liquidity ¹	8,457	6.59
	FUTURES – (0.19)% (31.10.22 – (0.23)%) ⁴		
10	EURO STOXX 50 Index Futures December 2023	(18)	(0.01)
18	FTSE 100 Index Futures December 2023	(43)	(0.03)
27	FTSE China A50 Index Futures November 2023	5	–
7	FTSE/JSE Top 40 Futures December 2023	(14)	(0.02)
24	Long Gilt Futures December 2023	(42)	(0.03)
7	S&P 500 E Mini Index Futures December 2023	(79)	(0.06)
2	TOPIX Index Futures December 2023	(9)	(0.01)
12	US Treasury Note 10 Year Futures December 2023	(40)	(0.03)
	TOTAL FUTURES	(240)	(0.19)
	Portfolio of investments ⁵	126,632	98.60
	Net other assets	1,788	1.40
	Net assets	128,420	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holding (see note 12).

² Closed end fund.

³ Unlisted security.

⁴ Counterparty: JPMorgan.

⁵ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
ACD'S REPORT continued
SUMMARY OF MATERIAL PORTFOLIO CHANGES
for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	29,166	Total sales for the year £'000 (note 16)	30,040
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
M&G (Lux) Asian Local Currency Bond	4,425	FTSE 100 Index Future December 2022	4,895
M&G SA Equity	4,321	Eastspring Asian Local Bond	4,377
FTSE 100 Index Future December 2022	3,264	FTSE/JSE Top 40 Futures December 2022	4,095
Legal & General Global Infrastructure Index	3,009	M&G (ACS) BlackRock UK All Share Equity	3,373
Long Gilt Futures December 2023	2,277	M&G (Lux) Europe Ex UK Equity NPV	3,266
iShares UK Property	2,200	M&G (ACS) UK 200 Index	2,387
S&P 500 E Mini Index Futures December 2023	1,441	M&G Asia Pacific Ex Japan	1,889
FTSE 100 Index Future December 2023	1,362	M&G (ACS) Japan Equity	1,780
M&G (ACS) BlackRock Canada Index	1,268	M&G (ACS) BlackRock US Equity	1,730
US Treasury Note 10 Year Futures December 2023	1,216	M&G Sterling Investment Grade Corporate Bond	1,678

In addition to the above, purchases totalling £2,452,932,000 and sales totalling £2,444,512,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital gains/(losses)	3		2,108		(16,607)
Revenue	4	4,521		3,575	
Expenses	5	(587)		(584)	
Interest payable and similar charges	6	(2)		(1)	
Net revenue before taxation		3,932		2,990	
Taxation	7	(304)		(222)	
Net revenue after taxation			3,628		2,768
Total return before distributions			5,736		(13,839)
Distributions	8		(3,629)		(2,769)
Change in net assets attributable to shareholders from investment activities			2,107		(16,608)

WS PRUDENTIAL RISK MANAGED ACTIVE 5

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			127,534		141,038
Amounts receivable on issue of shares		11,447		15,601	
Amounts payable on redemption of shares		<u>(15,050)</u>		<u>(14,292)</u>	
			(3,603)		1,309
Dilution levy	1(H)		51		-
Change in net assets attributable to shareholders from investment activities			2,107		(16,608)
Retained distributions on Accumulation shares			<u>2,331</u>		<u>1,795</u>
Closing net assets attributable to shareholders			<u>128,420</u>		<u>127,534</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 5**FINANCIAL STATEMENTS** continued**BALANCE SHEET**

as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		126,877	114,757
Current assets			
Debtors	9	2,136	1,934
Cash and cash equivalents	10	1,342	12,746
Total assets		<u>130,355</u>	<u>129,437</u>
LIABILITIES			
Investment liabilities		(245)	(306)
Creditors			
Distribution payable	11	(1,204)	(957)
Other creditors	11	(486)	(640)
Total liabilities		<u>(1,935)</u>	<u>(1,903)</u>
Net assets attributable to shareholders		<u>128,420</u>	<u>127,534</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 5

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	1,426	(16,171)
Derivative contracts	883	(552)
AMC rebates from underlying investments	–	2
Currency (losses)/gains	(198)	118
Broker's commission on futures	(3)	(4)
Net capital gains/(losses)	<u>2,108</u>	<u>(16,607)</u>

The net capital gains figure includes realised losses of £1,481,000 and unrealised losses of £4,869,000 (31.10.22: includes realised losses of £762,000 and unrealised losses of £8,461,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	400	383
Taxable dividends	1,023	303
UK property income distributions	893	196
Unfranked interest	454	539
AMC rebates from underlying investments	88	161
Revenue from tax transparent funds	1,645	1,979
Broker interest	6	14
Stock dividends	12	–
Total revenue	<u>4,521</u>	<u>3,575</u>

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them		
Annual Management Charge	520	530
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fees	12	13
Safe custody and other bank charges	24	8
	36	21
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	20	23
	31	33
Total expenses	<u>587</u>	<u>584</u>

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	2	1
Total interest payable and similar charges	2	1

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Corporation tax	209	137
Overseas tax	7	-
Adjustments in respect of prior periods	4	-
Tax incurred on tax transparent funds	84	85
Current tax charge	304	222
Deferred tax – origination and reversal of timing differences (note 7c)	-	-
Total taxation (note 7b)	304	222

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	3,932	2,990
Corporation tax at 20%	786	598

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Effects of:		
Non-taxable dividends	(577)	(462)
Rebated capital expenses deductible for tax purposes	–	1
Tax incurred on tax transparent funds	84	85
Corporation tax: adjustments in respect of prior years	4	–
Corporation tax charge	297	222
Overseas tax	7	–
Total tax charge (note 7a)	304	222

c) Deferred tax

There was no deferred tax charge in the current or prior year.

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	3,535	2,751
	3,535	2,751
Add: Revenue deducted on redemption of shares	249	139
Deduct: Revenue received on issue of shares	(155)	(121)
Net distributions for the year	3,629	2,769

Details of the distributions per share are set out in the table on pages 209 and 210.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Distributions represented by:		
Net revenue after taxation	3,628	2,768
Allocations to capital:		
Tax relief from capital	–	1
Equalisation on conversions ¹	1	–
Net distributions for the year	<u>3,629</u>	<u>2,769</u>

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	154	54
Sales awaiting settlement	–	9
Accrued revenue:		
Unfranked interest	–	16
Revenue from derivative contracts	–	3
AMC rebates from underlying investments	467	426
Revenue from tax transparent funds	1,507	1,395
Non-taxable dividends	8	–
	1,982	1,840
Taxation recoverable:		
Income tax	–	31
Total debtors	<u>2,136</u>	<u>1,934</u>

¹ Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	769	11,827
Margin account	573	919
Total cash and cash equivalents	1,342	12,746

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	1,204	957
Other Creditors		
Amounts payable for redemption of shares	176	383
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	42	42
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	4	1
Transaction charges	1	1
Safe custody and other bank charges	4	2
	9	4
Taxation payable:		
Corporation tax	156	107
Tax incurred on tax transparent funds	76	78
	232	185

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Other expenses	11	10
Expenses from tax transparent funds	16	16
Total other creditors	486	640

12. Related Party Transactions

The Annual Management Charge payable to Waystone Management UK Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 193 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 370,156 (31.10.22: 384,997) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 12,856,274 (31.10.22: 12,204,103) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited 21.23% (31.10.22: 23.36%)

As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD.

At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	104,769	90,471

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.74%	0.74%	0.00%
Opening shares in issue	2,737,615	141,244	19,953,080
Issues	250,740	6,537	1,822,693
Redemptions	(347,582)	(10,460)	(1,775,013)
Conversions	(183,033)	(41,060)	–
Closing shares in issue	<u>2,457,740</u>	<u>96,261</u>	<u>20,000,760</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.49%	0.49%	0.74%
Opening shares in issue	49,110,242	1,041,845	6,074,497
Issues	3,676,342	101,697	773,240
Redemptions	(5,644,004)	(136,764)	(964,049)
Conversions	254,789	56,866	(6,891)
Closing shares in issue	<u>47,397,369</u>	<u>1,063,644</u>	<u>5,876,797</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the balance sheet date. Details of the individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(240)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(297)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	1,101	802
Hong Kong dollars	42	–
Japanese yen	106	82
South African rand	4,093	686
US dollars	2,246	6,227
Total foreign currency exposure	7,588	7,797
Pounds sterling	120,832	119,737
Net assets	128,420	127,534

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £379,000 on the net assets of the Fund (31.10.22: £390,000).

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 1:1 and leverage under the commitment method was 1:1 (31.10.22: 0.90:1 and 1:1 respectively).

WS PRUDENTIAL RISK MANAGED ACTIVE 5

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 83.38% of the portfolio can be liquidated within 5 days and 84.70% within 21 working days (31.10.22: 95.55% within 5 days and 96.69% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £6,332,000 (31.10.22: £5,723,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and the related counterparty are disclosed in the Portfolio of Investments.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	303	–	1	304
Collective investment schemes	28,858	2	2	28,862
Purchases total	29,161	2	3	29,166
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	264	–	–	264
Collective investment schemes	29,777	(1)	–	29,776
Sales total	30,041	(1)	–	30,040
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.47% (31.10.22: 0.51%).

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	588	–	3	591
Collective investment schemes	51,135	3	1	51,139
Purchases total	51,723	3	4	51,730
Transaction cost % of purchases total		0.01%	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	618	–	–	618
Collective investment schemes	47,199	(2)	–	47,197
Sales total	47,817	(2)	–	47,815
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

31.10.23	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	11,087	115,232	558	126,877
Investment liabilities	(245)	–	–	(245)

31.10.22	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	10,540	104,217	–	114,757
Investment liabilities	(306)	–	–	(306)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	209.99	224.64	6.98%
A Income	190.34	198.71	4.40%
C Income	192.20	199.76	3.94%
P Accumulation	155.98	166.97	7.05%
P Income	137.55	143.37	4.23%
R Accumulation	184.99	197.90	6.98%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED ACTIVE 5

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	5.0968	–	5.0968	3.6771
Group 2	2.6340	2.4628	5.0968	3.6771

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	4.6031	–	4.6031	3.3944
Group 2	2.8312	1.7719	4.6031	3.3944

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	5.8050	–	5.8050	4.6276
Group 2	3.2829	2.5221	5.8050	4.6276

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	4.0991	–	4.0991	3.0481
Group 2	2.0379	2.0612	4.0991	3.0481

WS PRUDENTIAL RISK MANAGED ACTIVE 5
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.6122	–	3.6122	2.7446
Group 2	1.9257	1.6865	3.6122	2.7446

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	4.4773	–	4.4773	3.2394
Group 2	2.2577	2.2196	4.4773	3.2394

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Passive Fund 1 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 9%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 9%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a high exposure to lower risk assets such as fixed income assets and cash. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 0-35% shares sector.

The Fund's performance may be compared against the IA Mixed Investment 0-35% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Passive Fund 1
29 February 2024

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 3.21%, P (Acc) 3.47% and A (Acc) 3.21% produced returns ahead of the 0.94% sector average for the IA Mixed Investment 0-35% shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (ACS) Matthews China Equity Fund
- Legal & General UK Property Fund
- Legal & General Global Infrastructure Index Fund
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G (Lux) Sterling Liquidity Fund
- M&G (ACS) BlackRock Canada Index Fund

The Fund exited:

- Boussard and Gavaudan
- Round Hill Music Royalty Fund
- M&G Sterling Investment Grade Corporate Bond Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

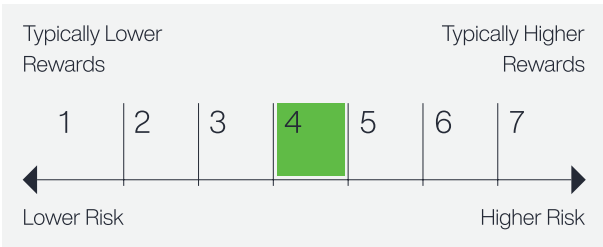
With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager
17 November 2023

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 1 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	167.04	193.57	183.43
Return before operating charges*	6.31	(25.59)	11.18
Operating charges	(0.94)	(0.94)	(1.04)
Return after operating charges	5.37	(26.53)	10.14
Distributions	(3.79)	(2.47)	(2.06)
Retained distributions on accumulation shares	3.79	2.47	2.06
Closing net asset value per share	172.41	167.04	193.57
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.21%	(13.71)%	5.53%
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OTHER INFORMATION

Closing net asset value (£'000)	5,117	6,139	8,917
Closing number of shares	2,968,019	3,675,233	4,606,630
Operating charges	0.54%	0.51%	0.54%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	180.76	197.47	197.38
Lowest share price	167.09	162.74	184.14

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	126.37	148.60	142.33
Return before operating charges*	4.78	(19.61)	8.67
Operating charges	(0.71)	(0.72)	(0.80)
Return after operating charges	4.07	(20.33)	7.87
Distributions	(2.87)	(1.90)	(1.60)
Closing net asset value per share	127.57	126.37	148.60
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.22%	(13.68)%	5.53%
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OTHER INFORMATION

Closing net asset value (£'000)	97	120	192
Closing number of shares	75,560	94,559	129,070
Operating charges	0.54%	0.51%	0.54%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	136.76	151.69	153.24
Lowest share price	126.41	124.97	142.89

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	126.45	148.76	142.49
Return before operating charges*	4.78	(19.69)	8.69
Operating charges	(0.08)	(0.04)	(0.09)
Return after operating charges	4.70	(19.73)	8.60
Distributions	(3.51)	(2.58)	(2.33)
Closing net asset value per share	127.64	126.45	148.76
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.72%	(13.26)%	6.04%
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OTHER INFORMATION

Closing net asset value (£'000)	100,861	106,704	142,839
Closing number of shares	79,021,690	84,381,703	96,017,352
Operating charges	0.06%	0.03%	0.06%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	137.02	151.94	154.05
Lowest share price	126.49	125.69	143.06

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	123.11	142.23	134.44
Return before operating charges*	4.65	(18.77)	8.21
Operating charges	(0.37)	(0.35)	(0.42)
Return after operating charges	4.28	(19.12)	7.79
Distributions	(3.12)	(2.16)	(1.87)
Retained distributions on accumulation shares	3.12	2.16	1.87
Closing net asset value per share	127.39	123.11	142.23
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.48%	(13.44)%	5.79%
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OTHER INFORMATION

Closing net asset value (£'000)	111,116	128,189	169,829
Closing number of shares	87,226,929	104,126,009	119,408,070
Operating charges	0.29%	0.26%	0.30%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	133.31	145.29	145.13
Lowest share price	123.15	119.93	135.11

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	102.63	120.65	115.56
Return before operating charges*	3.88	(15.89)	7.06
Operating charges	(0.31)	(0.30)	(0.36)
Return after operating charges	3.57	(16.19)	6.70
Distributions	(2.60)	(1.83)	(1.61)
Closing net asset value per share	103.60	102.63	120.65
* after direct transaction costs of:	–	0.01	–

PERFORMANCE

Return after charges	3.48%	(13.42)%	5.80%
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OTHER INFORMATION

Closing net asset value (£'000)	10,907	9,185	9,909
Closing number of shares	10,528,335	8,949,210	8,212,970
Operating charges	0.29%	0.26%	0.30%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	111.14	123.32	124.82
Lowest share price	102.66	101.76	116.15

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	134.00	155.24	147.10
Return before operating charges*	5.07	(20.49)	8.97
Operating charges	(0.76)	(0.75)	(0.83)
Return after operating charges	4.31	(21.24)	8.14
Distributions	(3.04)	(1.98)	(1.66)
Retained distributions on accumulation shares	3.04	1.98	1.66
Closing net asset value per share	138.31	134.00	155.24
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.22%	(13.68)%	5.53%
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OTHER INFORMATION

Closing net asset value (£'000)	15,555	18,495	25,175
Closing number of shares	11,246,229	13,802,130	16,217,243
Operating charges	0.54%	0.51%	0.54%
Direct transaction costs	–	0.01%	–

PRICES

Highest share price	145.01	158.47	158.39
Lowest share price	134.04	130.55	147.77

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
ACD'S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Passive Fund 1	3.47	(5.59)	3.42
IA Mixed Investment 0-35% shares sector ¹	0.94	(4.19)	1.91

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 244 and 245.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 19.00% (31.10.22 – 20.95%)		
	CONTINENTAL EUROPE – 2.47% (31.10.22 – 3.20%)		
1,627,560	Legal & General European Index	5,377	2.21
834,146	M&G (Lux) Pan European Smaller Companies ¹	631	0.26
	TOTAL CONTINENTAL EUROPE	6,008	2.47
	UNITED KINGDOM – 5.90% (31.10.22 – 7.78%)		
6,923,889	iShares UK Equity Index	14,376	5.90
	ASIA EX JAPAN – 3.52% (31.10.22 – 3.61%)		
3,825,911	iShares Pacific ex Japan Equity Index	8,303	3.41
277,511	M&G (ACS) Matthews China Equity ¹	268	0.11
	TOTAL ASIA EX JAPAN	8,571	3.52
	JAPAN – 1.59% (31.10.22 – 1.59%)		
1,464,343	iShares Japan Equity Index	3,706	1.52
148,151	M&G (ACS) Japan Smaller Companies ¹	168	0.07
	TOTAL JAPAN	3,874	1.59
	NORTH AMERICA – 2.45% (31.10.22 – 2.67%)		
963,348	iShares US Equity Index	4,419	1.81
731,721	M&G (ACS) BlackRock Canada Index ¹	673	0.28
811,758	M&G (ACS) BlackRock US Equity ¹	880	0.36
	TOTAL NORTH AMERICA	5,972	2.45
	AFRICA – 0.60% (31.10.22 – 0.00%)		
3,699,344	M&G SA Equity ¹	1,457	0.60

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EMERGING MARKETS – 2.47% (31.10.22 – 2.10%)		
2,172,229	iShares Emerging Markets Equity Index	3,593	1.47
146,315	iShares MSCI India	897	0.37
1,381,821	M&G (ACS) China ¹	909	0.38
1,023,694	M&G (ACS) China Equity ¹	604	0.25
	TOTAL EMERGING MARKETS	6,003	2.47
	TOTAL EQUITY PORTFOLIOS	46,261	19.00
	EQUITY INVESTMENT INSTRUMENTS – 1.08% (31.10.22 – 0.25%)		
579,486	DP Aircraft I ²	26	0.01
155,282	Ecofin US Renewables Infrastructure Trust ²	73	0.03
3,401,589	Legal & General Global Infrastructure Index	2,469	1.01
146,271	NB Distressed Debt Investment ²	70	0.03
	TOTAL EQUITY INVESTMENT INSTRUMENTS	2,638	1.08
	PROPERTY PORTFOLIOS – 1.49% (31.10.22 – 0.48%)		
75,327	iShares European Property Yield	1,561	0.64
205,429	iShares UK Property	803	0.33
1,296,337	Legal & General UK Property	1,271	0.52
	TOTAL PROPERTY PORTFOLIOS	3,635	1.49
	BOND PORTFOLIOS – 67.89% (31.10.22 – 68.45%)		
55,845,160	iShares Corporate Bond Index	74,592	30.61
2,250,311	iShares ESG Screened Euro Corporate Bond Index	22,166	9.10
4,446,606	iShares US Corporate Bond Index	42,158	17.30
285,841	M&G (Lux) Asian Corporate Bond ¹	2,749	1.13
852,695	M&G (Lux) Asian Local Currency Bond ¹	8,282	3.40
8,501,640	M&G Emerging Markets Bond ¹	9,252	3.80
4,717,648	M&G Global High Yield Bond ¹	6,219	2.55
	TOTAL BOND PORTFOLIOS	165,418	67.89

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	MONEY MARKETS – 11.21% (31.10.22 – 0.00%)		
27,316,000	M&G (Lux) Sterling Liquidity ¹	27,316	11.21
	FUTURES – (0.27)% (31.10.22 – (0.17)%) ³		
9	E Mini Russell 2000 Index Futures December 2023	(76)	(0.03)
9	EURO STOXX 50 Index Futures December 2023	(16)	(0.01)
11	FTSE 100 Index Futures December 2023	(26)	(0.01)
50	FTSE China A50 Index Futures November 2023	9	–
3	FTSE/JSE Top 40 Futures December 2023	(6)	–
103	Long Gilt Futures December 2023	(178)	(0.07)
10	S&P 500 E Mini Index Futures December 2023	(121)	(0.05)
2	TOPIX Index Futures December 2023	(9)	–
73	US Treasury Note 10 Year Futures December 2023	(241)	(0.10)
	TOTAL FUTURES	(664)	(0.27)
	Portfolio of investments ⁴	244,604	100.40
	Net other liabilities	(951)	(0.40)
	Net assets	243,653	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holding (see note 12).

² Closed end fund.

³ Counterparty: JPMorgan.

⁴ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT continued

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	34,356	Total sales for the year £'000 (note 16)	68,522
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Long Gilt Futures December 2023	9,774	iShares Corporate Bond Index	14,395
Long Gilt Futures September 2023	9,631	Long Gilt Futures September 2023	9,631
iShares Corporate Bond Index	9,242	iShares UK Equity Index	8,235
M&G (Lux) Asian Local Currency Bond	8,624	M&G Sterling Investment Grade	
US Treasury Note 10 Year Futures		Corporate Bond	7,717
September 2023	7,237	iShares US Corporate Bond Index	7,500
US Treasury Note 10 Year Futures		US Treasury Note 10 Year Futures	
March 2023	7,212	September 2023	7,237
US Treasury Note 10 Year Futures June		US Treasury Note 10 Year Futures	
2023	7,137	March 2023	7,212
US Treasury Note 10 Year Futures		Eastspring Asian Local Bond	7,163
December 2023	6,688	US Treasury Note 10 Year Futures June	
Long Gilt Futures June 2023	2,915	2023	7,137
Legal & General Global Infrastructure		iShares ESG Screened Euro Corporate	
Index	2,575	Bond Index	6,865

In addition to the above, purchases totalling £6,037,161,000 and sales totalling £6,009,483,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital gains/(losses)	3		3,366		(50,485)
Revenue	4	6,974		5,862	
Expenses	5	(479)		(561)	
Interest payable and similar charges	6	(2)		(4)	
Net revenue before taxation		6,493		5,297	
Taxation	7	(9)		(5)	
Net revenue after taxation			6,484		5,292
Total return before distributions			9,850		(45,193)
Distributions	8		(6,484)		(5,292)
Change in net assets attributable to shareholders from investment activities			3,366		(50,485)

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

as at 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			268,832		356,861
Amounts receivable on issue of shares		15,270		14,083	
Amounts payable on redemption of shares		<u>(47,002)</u>		<u>(54,237)</u>	
			(31,732)		(40,154)
Dilution levy	1(H)		11		-
Change in net assets attributable to shareholders from investment activities			3,366		(50,485)
Retained distributions on Accumulation shares			<u>3,176</u>		<u>2,610</u>
Closing net assets attributable to shareholders			<u>243,653</u>		<u>268,832</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1**FINANCIAL STATEMENTS** continued**BALANCE SHEET**

as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		245,277	242,308
Current assets			
Debtors	9	540	1,176
Cash and cash equivalents	10	2,502	29,365
Total assets		<u>248,319</u>	<u>272,849</u>
LIABILITIES			
Investment liabilities		(673)	(460)
Creditors			
Distribution payable	11	(3,052)	(2,345)
Other creditors	11	(941)	(1,212)
Total liabilities		<u>(4,666)</u>	<u>(4,017)</u>
Net assets attributable to shareholders		<u>243,653</u>	<u>268,832</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

The Fund has satisfied the qualifying investments test of Section 493 of the Corporation Taxes Act 2009, through the year. All distributions made are therefore made as gross interest distributions.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	3,823	(49,098)
Derivative contracts	(316)	(1,357)
Transaction charges	(2)	(3)
Currency losses	(139)	(21)
Broker's commission on futures	–	(6)
Net capital gains/(losses)	3,366	(50,485)

The net capital gains figure includes realised gains of £10,449,000 and unrealised gains of £40,218,000 (31.10.22: includes realised losses of £78,781,000 and unrealised gains of £47,299,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	1,517	2,150
Taxable dividends	948	365
Unfranked interest	4,346	3,094
AMC rebates from underlying investments	12	190
Bank interest	57	2
Revenue from tax transparent funds	83	54
Broker interest	11	7
Total revenue	6,974	5,862

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	421	517
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	20	24
Safe custody and other bank charges	25	9
	45	33
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	2	1
	13	11
Total expenses	479	561

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	2	4
Total interest payable and similar charges	2	4

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Overseas tax	2	–
Adjustments in respect of prior periods	(1)	–
Tax incurred on tax transparent funds	8	5
Current tax charge	9	5
Deferred tax – origination and reversal of timing differences (note 7c)	–	–
Total taxation (note 7b)	9	5

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	6,493	5,297
Corporation tax at 20%	1,299	1,059
Effects of:		
Non-taxable dividends	(320)	(440)
Corporation tax: adjustments in respect of prior years	(1)	–
Tax deductible interest distributions	(979)	(619)
Tax incurred on tax transparent funds	8	5
Corporation tax charge	7	5
Overseas tax	2	–
Total tax charge (note 7a)	9	5

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

c) Deferred tax

There was no deferred tax charge in the current or prior year.

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	6,228	4,955
	6,228	4,955
Add: Revenue deducted on redemption of shares	449	386
Deduct: Revenue received on issue of shares	(193)	(49)
Net distributions for the year	6,484	5,292

Details of the distributions per share are set out in the table on pages 245 and 246.

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	109	18
Sales awaiting settlement	312	1,091
Accrued revenue:		
Non-taxable dividends	39	–
Revenue from tax transparent funds	78	66
	117	66
Taxation recoverable:		
Income tax	2	1
Total debtors	540	1,176

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	1,003	28,360
Margin account	1,499	1,005
Total cash and cash equivalents	2,502	29,365

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	3,052	2,345
Other Creditors		
Amounts payable for redemption of shares	751	1,019
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	33	37
AMC rebates from underlying investments	126	132
	159	169
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	6	2
Transaction charges	1	1
Safe custody and other bank charges	4	3
	11	6
Taxation payable:		
Tax incurred on tax transparent funds	8	6
Other expenses	11	11
Expenses from tax transparent funds	1	1
Total other creditors	941	1,212

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

12. Related Party Transactions

The Annual Management Charge payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 229 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 94,973 (31.10.22: 94,776) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 79,021,690 (31.10.22: 84,381,454) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Prudential plc and its associates 41.36% (31.10.22: 39.24%)

As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	59,408	27,850

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.48%	0.48%	0.00%
Opening shares in issue	3,675,233	94,559	84,381,703
Issues	195,243	146	6,967,704
Redemptions	(688,331)	(387)	(12,327,717)
Conversions	(214,126)	(18,758)	–
Closing shares in issue	<u>2,968,019</u>	<u>75,560</u>	<u>79,021,690</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.23%	0.23%	0.48%
Opening shares in issue	104,126,009	8,949,210	13,802,130
Issues	1,683,847	3,195,613	175,644
Redemptions	(18,954,697)	(1,639,550)	(2,656,493)
Conversions	371,770	23,062	(75,052)
Closing shares in issue	<u>87,226,929</u>	<u>10,528,335</u>	<u>11,246,229</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the balance sheet date. Details of the individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(664)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(458)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	404	552
Hong Kong dollars	42	–
Japanese yen	220	191
South African rand	1,573	467
US dollars	1,561	8,758
Total foreign currency exposure	3,800	9,968
Pounds sterling	239,853	258,864
Net assets	243,653	268,832

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £190,000 on the net assets of the Fund (31.10.22: £498,000).

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 1:1 and leverage under the commitment method was 1:1 (31.10.22: 0.90:1 and 1:1 respectively).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 84.74% of the portfolio can be liquidated within 5 days and 84.88% within 21 working days (31.10.22: 73.12% within 5 days and 73.17% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £12,230,000 (31.10.22: £12,092,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and the related counterparty are disclosed in the Portfolio of Investments.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	34,355	1	–	34,356
Purchases total	34,355	1	–	34,356
Transaction cost % of purchases total		–	–	
Transaction cost % of average NAV		–	–	
Ordinary shares	499	–	–	499
Collective investment schemes	68,023	–	–	68,023
Sales total	68,522	–	–	68,522
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.02% (31.10.22: 0.05%).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	310	–	1	311
Collective investment schemes	61,099	2	2	61,103
Purchases total	61,409	2	3	61,414
Transaction cost % of purchases total		–	–	
Transaction cost % of average NAV		–	–	
Ordinary shares	1,197	–	–	1,197
Collective investment schemes	95,765	(6)	–	95,759
Sales total	96,962	(6)	–	96,956
Transaction cost % of sales total		0.01%	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

31.10.23	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	5,908	239,369	–	245,277
Investment liabilities	(673)	–	–	(673)

31.10.22	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	2,867	239,441	–	242,308
Investment liabilities	(460)	–	–	(460)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	172.20	183.52	6.57%
A Income	130.28	135.80	4.24%
C Income	130.99	136.06	3.87%
P Accumulation	127.23	135.70	6.66%
P Income	106.07	110.36	4.05%
R Accumulation	138.14	147.22	6.57%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.7896	–	3.7896	2.4703
Group 2	2.3088	1.4808	3.7896	2.4703

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	2.8655	–	2.8655	1.8992
Group 2	2.8655	0.0000	2.8655	1.8992

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.5130	–	3.5130	2.5828
Group 2	0.7293	2.7837	3.5130	2.5828

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.1195	–	3.1195	2.1564
Group 2	1.8444	1.2751	3.1195	2.1564

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 1
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	2.6006	–	2.6006	1.8296
Group 2	2.1250	0.4756	2.6006	1.8296

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.0399	–	3.0399	1.9816
Group 2	2.0983	0.9416	3.0399	1.9816

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Passive Fund 2 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 10%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 10%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a bias towards lower risk assets such as fixed income assets and cash but will always have some exposure to equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 20-60% shares sector.

The Fund's performance may be compared against the IA Mixed Investment 20-60% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Passive Fund 2
29 February 2024

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 3.40%, P (Acc) 3.61% and A (Acc) 3.39% produced returns ahead of the 1.70% sector average for the IA Mixed Investment 20-60% shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (ACS) Matthews China Equity Fund
- Legal & General UK Property Fund
- Legal & General Global Infrastructure Index Fund
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G (Lux) Sterling Liquidity Fund
- M&G (ACS) BlackRock Canada Index Fund

The Fund exited:

- Boussard and Gavaudan
- Round Hill Music Royalty Fund
- M&G Sterling Investment Grade Corporate Bond Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

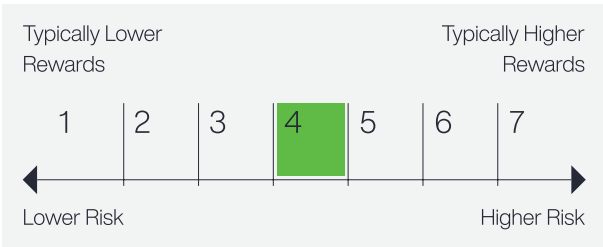
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

17 November 2023

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 2 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	120.16	137.88	127.34
Return before operating charges*	4.67	(17.02)	11.25
Operating charges	(0.68)	(0.70)	(0.71)
Return after operating charges	3.99	(17.72)	10.54
Distributions	(2.53)	(1.80)	(1.35)
Retained distributions on accumulation shares	2.53	1.80	1.35
Closing net asset value per share	124.15	120.16	137.88
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.32%	(12.85)%	8.28%
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OTHER INFORMATION

Closing net asset value (£'000)	1,070	726	342
Closing number of shares	861,925	604,516	247,622
Operating charges	0.54%	0.54%	0.53%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	130.77	141.06	140.63
Lowest share price	120.23	117.27	128.00

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	108.27	126.08	117.74
Return before operating charges*	4.35	(15.18)	10.63
Operating charges	(0.59)	(0.65)	(0.67)
Return after operating charges	3.76	(15.83)	9.96
Distributions	(2.42)	(1.98)	(1.62)
Closing net asset value per share	109.61	108.27	126.08
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.47%	(12.55)%	8.46%
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OTHER INFORMATION

Closing net asset value (£'000)	–	–	–
Closing number of shares	250	250	250
Operating charges	0.52%	0.54%	0.53%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	117.89	129.59	130.71
Lowest share price	108.32	107.59	118.71

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	95.98	111.96	104.45
Return before operating charges*	3.63	(14.07)	9.11
Operating charges	(0.06)	(0.04)	(0.06)
Return after operating charges	3.57	(14.11)	9.05
Distributions	(2.41)	(1.87)	(1.54)
Closing net asset value per share	97.14	95.98	111.96
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.72%	(12.60)%	8.66%
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OTHER INFORMATION

Closing net asset value (£'000)	6,152	6,301	9,760
Closing number of shares	6,333,317	6,564,683	8,717,157
Operating charges	0.06%	0.04%	0.05%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	104.56	114.46	115.57
Lowest share price	96.02	95.47	104.84

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	123.24	141.20	130.15
Return before operating charges*	4.73	(12.20)	11.44
Operating charges	(0.38)	(5.76)	(0.39)
Return after operating charges	4.35	(17.96)	11.05
Distributions	(2.85)	(2.11)	(1.66)
Retained distributions on accumulation shares	2.85	2.11	1.66
Closing net asset value per share	127.59	123.24	141.20
* after direct transaction costs of:	–	0.12	0.01

PERFORMANCE

Return after charges	3.53%	(12.72)%	8.49%
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OTHER INFORMATION

Closing net asset value (£'000)	167,535	192,336	225,236
Closing number of shares	131,308,331	156,066,453	159,513,783
Operating charges	0.29%	0.27%	0.28%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	134.19	129.64	143.93
Lowest share price	123.31	107.94	130.78

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	108.72	126.71	118.17
Return before operating charges*	4.17	(16.08)	10.40
Operating charges	(0.33)	(0.02)	(0.35)
Return after operating charges	3.84	(16.10)	10.05
Distributions	(2.52)	(1.89)	(1.51)
Closing net asset value per share	110.04	108.72	126.71
* after direct transaction costs of:	–	–	0.01

PERFORMANCE

Return after charges	3.53%	(12.70)%	8.50%
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OTHER INFORMATION

Closing net asset value (£'000)	12,898	10,602	12,661
Closing number of shares	11,721,202	9,752,046	9,992,283
Operating charges	0.29%	0.27%	0.28%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	118.38	144.44	130.71
Lowest share price	108.77	120.26	118.76

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	121.47	139.44	128.78
Return before operating charges*	4.73	(17.28)	11.39
Operating charges	(0.69)	(0.69)	(0.73)
Return after operating charges	4.04	(17.97)	10.66
Distributions	(2.55)	(1.82)	(1.37)
Retained distributions on accumulation shares	2.55	1.82	1.37
Closing net asset value per share	125.51	121.47	139.44
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.33%	(12.89)%	8.28%
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OTHER INFORMATION

Closing net asset value (£'000)	23,588	28,748	33,792
Closing number of shares	18,794,503	23,666,630	24,233,686
Operating charges	0.54%	0.52%	0.53%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	132.20	142.62	142.19
Lowest share price	121.54	118.55	129.42

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Passive Fund 2	3.61	(2.57)	6.50
IA Mixed Investment 20-60% shares sector ¹	1.70	2.91	7.84

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 279 and 280.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 30.62% (31.10.22 – 31.16%)		
	CONTINENTAL EUROPE – 3.93% (31.10.22 – 4.72%)		
2,247,775	Legal & General European Index	7,427	3.51
1,167,733	M&G (Lux) Pan European Smaller Companies ¹	883	0.42
	TOTAL CONTINENTAL EUROPE	8,310	3.93
	UNITED KINGDOM – 10.60% (31.10.22 – 11.44%)		
9,177,012	iShares UK Equity Index	19,054	9.02
4,601,027	Legal & General Global Infrastructure Index	3,339	1.58
	TOTAL UNITED KINGDOM	22,393	10.60
	ASIA EX JAPAN – 5.33% (31.10.22 – 5.45%)		
5,013,142	iShares Pacific ex Japan Equity Index	10,879	5.15
406,864	M&G (ACS) Matthews China Equity ¹	393	0.18
	TOTAL ASIA EX JAPAN	11,272	5.33
	JAPAN – 2.44% (31.10.22 – 2.36%)		
1,943,863	iShares Japan Equity Index	4,920	2.33
208,074	M&G (ACS) Japan Smaller Companies ¹	236	0.11
	TOTAL JAPAN	5,156	2.44
	NORTH AMERICA – 3.79% (31.10.22 – 4.03%)		
1,279,413	iShares US Equity Index	5,869	2.78
1,029,770	M&G (ACS) BlackRock Canada Index ¹	947	0.45
1,093,920	M&G (ACS) BlackRock US Equity ¹	1,187	0.56
	TOTAL NORTH AMERICA	8,003	3.79
	AFRICA – 0.97% (31.10.22 – 0.00%)		
5,197,369	M&G SA Equity ¹	2,046	0.97

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EMERGING MARKETS – 3.56% (31.10.22 – 3.16%)		
2,601,149	iShares Emerging Markets Equity Index	4,303	2.04
223,243	iShares MSCI India	1,368	0.65
1,647,129	M&G (ACS) China ¹	1,082	0.51
1,275,035	M&G (ACS) China Equity ¹	753	0.36
	TOTAL EMERGING MARKET	7,506	3.56
	TOTAL EQUITY PORTFOLIOS	64,686	30.62
	EQUITY INVESTMENT INSTRUMENTS – 0.04% (31.10.22 – 0.23%)		
177,102	DP Aircraft I ²	8	–
154,419	Ecofin US Renewables Infrastructure Trust ²	73	0.03
25,831	NB Distressed Debt Investment ²	12	0.01
	TOTAL EQUITY INVESTMENT INSTRUMENTS	93	0.04
	PROPERTY PORTFOLIOS – 2.23% (31.10.22 – 0.59%)		
94,463	iShares European Property Yield	1,958	0.93
273,487	iShares UK Property	1,069	0.51
1,703,466	Legal & General UK Property	1,670	0.79
	TOTAL PROPERTY PORTFOLIOS	4,697	2.23
	BOND PORTFOLIOS – 57.32% (31.10.22 – 57.91%)		
40,029,216	iShares Corporate Bond Index	53,467	25.31
1,570,457	iShares ESG Screened Euro Corporate Bond Index	15,469	7.32
3,183,111	iShares US Corporate Bond Index	30,179	14.29
648,671	M&G (Lux) Asian Local Currency Bond ¹	6,300	2.98
188,425	M&G (Lux) Global ¹	1,812	0.86
6,888,783	M&G Emerging Markets Bond ¹	7,497	3.55
4,825,426	M&G Global High Yield Bond ¹	6,361	3.01
	TOTAL BOND PORTFOLIOS	121,085	57.32

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	MONEY MARKET DEPOSITS – 9.74 % (31.10.22 – 0.00 %)		
20,571,000	M&G (Lux) Sterling Liquidity ¹	20,571	9.74
	FUTURES – (0.28) % (31.10.22 – (0.18) %) ³		
13	E Mini Russell 2000 Index Futures December 2023	(109)	(0.05)
12	EURO STOXX 50 Index Futures December 2023	(22)	(0.01)
15	FTSE 100 Index Futures December 2023	(35)	(0.02)
45	FTSE China A50 Index Futures November 2023	8	–
4	FTSE/JSE Top 40 Futures December 2023	(8)	–
78	Long Gilt Futures December 2023	(135)	(0.06)
10	S&P 500 E Mini Index Futures December 2023	(120)	(0.06)
1	TOPIX Index Futures December 2023	(5)	–
54	US Treasury Note 10 Year Futures December 2023	(179)	(0.08)
	TOTAL FUTURES	(605)	(0.28)
	Portfolio of investments ⁴	210,527	99.67
	Net other assets	716	0.33
	Net assets	211,243	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holding (see note 12).

² Closed end fund.

³ Counterparty: JPMorgan.

⁴ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT continued

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	34,862	Total sales for the year £'000 (note 16)	68,068
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
iShares Corporate Bond Index	10,548	iShares Corporate Bond Index	13,142
Long Gilt Futures December 2023	7,876	iShares UK Equity Index	10,460
M&G (Lux) Asian Local Currency Bond	6,612	M&G Sterling Investment Grade	
US Treasury Note 10 Year Futures		Corporate Bond	9,019
December 2023	5,125	iShares US Corporate Bond Index	6,317
Legal & General Global Infrastructure		Eastspring Asian Local Bond	5,654
Index	3,483	iShares ESG Screened Euro Corporate	
FTSE 100 Index Futures December		Bond Index	5,528
2022	3,115	US Treasury Note 10 Year Futures	
M&G SA Equity	2,195	December 2022	5,142
S&P 500 E Mini Index Futures		FTSE 100 Index Futures December	
December 2023	1,805	2022	4,673
Legal & General UK Property	1,690	Legal & General European Index	3,814
iShares European Property Yield	1,628	iShares Pacific ex Japan Equity Index	3,189

In addition to the above, purchases totalling £5,024,653,000 and sales totalling £5,004,045,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital gains/(losses)	3		3,898		(40,786)
Revenue	4	6,507		5,345	
Expenses	5	(656)		(729)	
Interest payable and similar charges	6	(1)		(2)	
Net revenue before taxation		5,850		4,614	
Taxation	7	(753)		(412)	
Net revenue after taxation			5,097		4,202
Total return before distributions			8,995		(36,584)
Distributions	8		(5,097)		(4,202)
Change in net assets attributable to shareholders from investment activities			3,898		(40,786)

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

as at 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			238,713		281,791
Amounts receivable on issue of shares		10,137		25,089	
Amounts payable on redemption of shares		<u>(45,764)</u>		<u>(31,115)</u>	
			(35,627)		(6,026)
Dilution levy	1(H)		10		-
Change in net assets attributable to shareholders from investment activities			3,898		(40,786)
Retained distributions on Accumulation shares			<u>4,249</u>		<u>3,734</u>
Closing net assets attributable to shareholders			<u>211,243</u>		<u>238,713</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

BALANCE SHEET

as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		211,140	214,591
Current assets			
Debtors	9	179	796
Cash and cash equivalents	10	2,502	24,887
Total assets		<u>213,821</u>	<u>240,274</u>
LIABILITIES			
Investment liabilities		(613)	(436)
Creditors			
Distribution payable	11	(448)	(307)
Other creditors	11	(1,517)	(818)
Total liabilities		<u>(2,578)</u>	<u>(1,561)</u>
Net assets attributable to shareholders		<u>211,243</u>	<u>238,713</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	3,964	(39,494)
Derivative contracts	14	(1,279)
Transaction charges	(2)	(3)
Currency losses	(78)	(5)
Broker's commission on futures	–	(5)
Net capital gains/(losses)	<u>3,898</u>	<u>(40,786)</u>

The net capital gains figure includes realised gains of £7,881,000 and unrealised gains of £26,458,000 (31.10.22: includes realised losses of £61,725,000 and unrealised gains of £30,439,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	2,050	2,513
Taxable dividends	3,435	257
Unfranked interest	842	2,331
AMC rebates from underlying investments	14	153
Bank interest	56	9
Revenue from tax transparent funds	110	82
Total revenue	6,507	5,345

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	600	688
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fees	19	21
Safe custody and other bank charges	24	9
	43	30
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	2	1
	13	11
Total expenses	656	729

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	1	2
Total interest payable and similar charges	1	2

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Corporation tax	739	404
Overseas tax	3	–
Adjustments in respect of prior periods	1	–
Tax incurred on tax transparent funds	10	8
Current tax charge	753	412
Deferred tax – origination and reversal of timing differences (note 7c)	–	–
Total taxation (note 7b)	753	412

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	5,850	4,614
Corporation tax at 20%	1,170	923
Effects of:		
Non-taxable dividends	(431)	(519)
Corporation tax: adjustment in respect of prior years	1	–
Tax incurred on tax transparent funds	10	8
Corporation tax charge	750	412

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Overseas tax	3	–
Total tax charge (note 7a)	753	412

c) Deferred tax

There was no deferred tax charge in the current or prior year.

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	4,697	4,042
	4,697	4,042
Add: Revenue deducted on redemption of shares	463	240
Deduct: Revenue received on issue of shares	(63)	(80)
Net distributions for the year	5,097	4,202

Details of the distributions per share are set out in the table on pages 279 and 280.

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	79	105
Sales awaiting settlement	–	604
Accrued revenue:		
Revenue from tax transparent funds	100	86
Taxation recoverable:		
Income tax	–	1
Total debtors	179	796

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	1,162	23,789
Margin account	1,340	1,098
Total cash and cash equivalents	2,502	24,887

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	448	307
Other Creditors		
Amounts payable for redemption of shares	902	416
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	46	52
AMC rebates from underlying investments	89	96
	135	148
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	6	2
Transaction charges	1	1
Safe custody and other bank charges	4	3
	11	6
Taxation payable:		
Corporation tax	447	228
Tax incurred on tax transparent funds	9	8
	456	236
Other expenses	11	10

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Expenses from tax transparent funds	2	2
Total other creditors	1,517	818

12. Related Party Transactions

The Annual Management Charge payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 264 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 165,381 (31.10.22: 164,556) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 6,333,317 (31.10.22: 6,564,433) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited	54.02% (31.10.22: 52.00%)
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As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	50,068	27,806

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.48%	0.48%	0.00%
Opening shares in issue	604,516	250	6,564,683
Issues	609,235	–	522,742
Redemptions	(351,826)	–	(754,108)
Conversions	–	–	–
Closing shares in issue	<u>861,925</u>	<u>250</u>	<u>6,333,317</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.23%	0.23%	0.48%
Opening shares in issue	156,066,453	9,752,046	23,666,630
Issues	2,928,955	3,678,473	683,077
Redemptions	(27,709,745)	(1,709,317)	(5,555,204)
Conversions	22,668	–	–
Closing shares in issue	<u>131,308,331</u>	<u>11,721,202</u>	<u>18,794,503</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the balance sheet date. Details of the individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(605)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(433)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	234	846
Hong Kong dollars	42	–
Japanese yen	231	177
South African rand	2,169	525
US dollars	1,883	7,281
Total foreign currency exposure	4,559	8,829
Pounds sterling	206,684	229,884
Net assets	211,243	238,713

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £228,000 on the net assets of the Fund (31.10.22: £441,000).

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 1:1 and leverage under the commitment method was 1:1 (31.10.22: 0.90:1 and 1:1 respectively).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 86.14% of the portfolio can be liquidated within 5 days and 86.48% within 21 working days (31.10.22: 77.51% within 5 days and 77.61% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £10,526,000 (31.10.22: £10,708,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and the related counterparty are disclosed in the Portfolio of Investments.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	34,861	1	–	34,862
Purchases total	34,861	1	–	34,862
Transaction cost % of purchases total		–	–	
Transaction cost % of average NAV		–	–	
Ordinary shares	69	–	–	69
Collective investment schemes	67,999	–	–	67,999
Sales total	68,068	–	–	68,068
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.03% (31.10.22: 0.05%).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	298	–	1	299
Collective investment schemes	61,107	2	2	61,111
Purchases total	61,405	2	3	61,410
Transaction cost % of purchases total		–	–	
Transaction cost % of average NAV		–	–	
Ordinary shares	938	–	–	938
Collective investment schemes	62,574	(5)	–	62,569
Sales total	63,512	(5)	–	63,507
Transaction cost % of sales total		0.01%	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

31.10.23	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	4,496	206,644	–	211,140
Investment liabilities	(613)	–	–	(613)

31.10.22	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	3,206	211,385	–	214,591
Investment liabilities	(436)	–	–	(436)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	124.04	132.56	6.87%
A Income	111.92	117.13	4.65%
C Income	99.46	103.84	4.41%
P Accumulation	127.47	136.31	6.93%
P Income	112.45	117.56	4.54%
R Accumulation	125.39	134.00	6.87%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	2.5271	–	2.5271	1.7967
Group 2	1.5975	0.9296	2.5271	1.7967

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	2.4200	–	2.4200	1.9840
Group 2	2.4200	0.0000	2.4200	1.9840

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	2.4112	–	2.4112	1.8705
Group 2	1.5688	0.8424	2.4112	1.8705

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	2.8538	–	2.8538	2.1103
Group 2	1.7775	1.0763	2.8538	2.1103

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 2
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	2.5169	–	2.5169	1.8943
Group 2	1.9860	0.5309	2.5169	1.8943

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	2.5540	–	2.5540	1.8156
Group 2	1.6671	0.8869	2.5540	1.8156

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Passive Fund 3 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 12%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 12%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will be balanced between lower risk assets, such as fixed income assets and cash, and higher risk assets, such as equities. From time to time, however, the Fund may have a higher exposure to either higher risk or lower risk assets with the aim of meeting the Fund's objective. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 20-60% shares sector.

The Fund's performance may be compared against the IA Mixed Investment 20-60% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Passive Fund 3

29 February 2024

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 4.21%, P (Acc) 4.43% and A (Acc) 4.21% produced returns ahead of the 1.70% sector average for the IA Mixed Investment 20-60% shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (ACS) Matthews China Equity Fund
- Legal & General UK Property Fund
- Legal & General Global Infrastructure Index Fund
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G (Lux) Sterling Liquidity Fund
- M&G (ACS) BlackRock Canada Index Fund

The Fund exited:

- Legal & General UK Index
- Boussard and Gavaudan
- Round Hill Music Royalty Fund
- M&G Sterling Investment Grade Corporate Bond Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

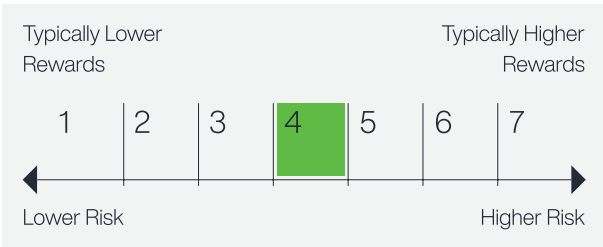
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

17 November 2023

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 3 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	177.33	201.37	180.09
Return before operating charges*	8.03	(23.02)	22.36
Operating charges	(1.01)	(1.02)	(1.08)
Return after operating charges	7.02	(24.04)	21.28
Distributions	(3.99)	(2.97)	(2.35)
Retained distributions on accumulation shares	3.99	2.97	2.35
Closing net asset value per share	184.35	177.33	201.37
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.96%	(11.94)%	11.82%
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OTHER INFORMATION

Closing net asset value (£'000)	8,635	9,904	11,375
Closing number of shares	4,683,909	5,585,182	5,648,923
Operating charges	0.54%	0.53%	0.55%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	194.37	206.14	204.92
Lowest share price	177.47	173.32	180.79

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	136.21	157.24	142.28
Return before operating charges*	6.18	(17.91)	17.67
Operating charges	(0.78)	(0.80)	(0.85)
Return after operating charges	5.40	(18.71)	16.82
Distributions	(3.07)	(2.32)	(1.86)
Closing net asset value per share	138.54	136.21	157.24
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.96%	(11.90)%	11.82%
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OTHER INFORMATION

Closing net asset value (£'000)	144	296	399
Closing number of shares	104,160	217,191	253,653
Operating charges	0.54%	0.53%	0.55%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	149.30	161.09	162.03
Lowest share price	136.31	135.40	142.94

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	135.84	156.86	141.92
Return before operating charges*	6.02	(18.04)	17.50
Operating charges	(0.09)	(0.08)	(0.11)
Return after operating charges	5.93	(18.12)	17.39
Distributions	(3.62)	(2.90)	(2.45)
Closing net asset value per share	138.15	135.84	156.86
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	4.37%	(11.55)%	12.26%
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OTHER INFORMATION

Closing net asset value (£'000)	76,837	79,876	97,707
Closing number of shares	55,618,885	58,800,375	62,289,192
Operating charges	0.06%	0.05%	0.07%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	149.05	160.80	162.20
Lowest share price	135.94	135.58	142.62

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	137.97	156.28	139.48
Return before operating charges*	6.17	(17.89)	17.26
Operating charges	(0.42)	(0.42)	(0.46)
Return after operating charges	5.75	(18.31)	16.80
Distributions	(3.40)	(2.61)	(2.13)
Retained distributions on accumulation shares	3.40	2.61	2.13
Closing net asset value per share	143.72	137.97	156.28
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	4.17%	(11.72)%	12.04%
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OTHER INFORMATION

Closing net asset value (£'000)	329,820	359,007	390,753
Closing number of shares	229,489,540	260,211,414	250,036,221
Operating charges	0.29%	0.28%	0.30%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	151.31	160.17	159.15
Lowest share price	138.08	134.83	140.18

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	114.95	132.67	120.04
Return before operating charges*	5.14	(15.14)	14.85
Operating charges	(0.35)	(0.36)	(0.39)
Return after operating charges	4.79	(15.50)	14.46
Distributions	(2.83)	(2.22)	(1.83)
Closing net asset value per share	116.91	114.95	132.67
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	4.17%	(11.68)%	12.05%
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OTHER INFORMATION

Closing net asset value (£'000)	19,675	20,383	21,610
Closing number of shares	16,828,958	17,731,864	16,287,851
Operating charges	0.29%	0.28%	0.30%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	126.07	136.07	137.07
Lowest share price	115.04	114.51	120.72

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	157.99	179.38	160.42
Return before operating charges*	7.16	(20.48)	19.92
Operating charges	(0.90)	(0.91)	(0.96)
Return after operating charges	6.26	(21.39)	18.96
Distributions	(3.56)	(2.65)	(2.09)
Retained distributions on accumulation shares	3.56	2.65	2.09
Closing net asset value per share	164.25	157.99	179.38
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	3.96%	(11.92)%	11.82%
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OTHER INFORMATION

Closing net asset value (£'000)	41,934	47,455	52,343
Closing number of shares	25,530,015	30,035,920	29,179,891
Operating charges	0.54%	0.53%	0.55%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	173.18	183.69	182.61
Lowest share price	158.12	154.42	161.12

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Passive Fund 3	4.43	2.45	11.22
IA Mixed Investment 20-60% shares sector ¹	1.70	2.91	7.84

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 315 and 316.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 40.20% (31.10.22 – 42.80%)		
	CONTINENTAL EUROPE – 5.53% (31.10.22 – 6.50%)		
7,157,631	Legal & General European Index	23,649	4.96
3,562,021	M&G (Lux) Pan European Smaller Companies ¹	2,693	0.57
	TOTAL CONTINENTAL EUROPE	26,342	5.53
	UNITED KINGDOM – 12.80% (31.10.22 – 15.63%)		
29,416,979	iShares UK Equity Index	61,077	12.80
	ASIA EX JAPAN – 7.28% (31.10.22 – 7.48%)		
15,447,913	iShares Pacific Ex Japan Equity Index	33,524	7.03
1,248,994	M&G (ACS) Matthews China Equity ¹	1,207	0.25
	TOTAL ASIA EX JAPAN	34,731	7.28
	JAPAN – 3.08% (31.10.22 – 3.25%)		
5,514,100	iShares Japan Equity Index	13,957	2.93
643,851	M&G (ACS) Japan Smaller Companies ¹	729	0.15
	TOTAL JAPAN	14,686	3.08
	NORTH AMERICA – 5.31% (31.10.22 – 5.54%)		
4,126,377	iShares US Equity Index	18,929	3.97
3,172,899	M&G (ACS) BlackRock Canada Index ¹	2,917	0.61
3,190,085	M&G (ACS) BlackRock US Equity ¹	3,460	0.73
	TOTAL NORTH AMERICA	25,306	5.31
	AFRICA – 1.31% (31.10.22 – 0.00%)		
15,919,722	M&G SA Equity ¹	6,268	1.31

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EMERGING MARKETS – 4.89% (31.10.22 – 4.40%)		
8,313,131	iShares Emerging Markets Equity Index	13,751	2.88
666,146	iShares MSCI India	4,084	0.86
5,181,920	M&G (ACS) China ¹	3,404	0.71
3,589,938	M&G (ACS) China Equity ¹	2,119	0.44
	TOTAL EMERGING MARKETS	23,358	4.89
	TOTAL EQUITY PORTFOLIOS	191,768	40.20
	EQUITY INVESTMENT INSTRUMENTS – 2.13% (31.10.22 – 0.27%)		
746,531	DP Aircraft I ²	34	0.01
372,574	Ecofin US Renewables Infrastructure ²	175	0.04
13,605,832	Legal & General Global Infrastructure Index	9,874	2.07
143,581	NB Distressed Debt Investment ²	68	0.01
	TOTAL EQUITY INVESTMENT INSTRUMENTS	10,151	2.13
	PROPERTY PORTFOLIOS – 1.67% (31.10.22 – 0.42%)		
801,365	iShares UK Property	3,131	0.66
4,939,316	Legal & General UK Property	4,843	1.01
	TOTAL PROPERTY PORTFOLIOS	7,974	1.67
	BOND PORTFOLIOS – 47.18% (31.10.22 – 46.60%)		
71,061,296	iShares Corporate Bond Index	94,917	19.90
2,640,866	iShares ESG Screened Euro Corporate Bond Index	26,012	5.45
264,983	iShares European Property Yield	5,492	1.15
5,696,403	iShares US Corporate Bond Index	54,007	11.32
339,323	M&G (Lux) Asian Corporate Bond ¹	3,264	0.68
1,193,466	M&G (Lux) Asian Local Currency Bond ¹	11,591	2.43
14,353,221	M&G Emerging Markets Bond ¹	15,621	3.27
10,795,603	M&G Global High Yield Bond ¹	14,232	2.98
	TOTAL BOND PORTFOLIOS	225,136	47.18

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	MONEY MARKETS – 9.17% (31.10.22 – 0.00%)		
43,732,000	M&G (Lux) Sterling Liquidity ¹	43,732	9.17
	FUTURES – (0.30)% (31.10.22 – (0.19)%) ³		
41	E Mini Russell 2000 Index Futures December 2023	(345)	(0.07)
38	EURO STOXX 50 Index Futures December 2023	(69)	(0.01)
46	FTSE 100 Index Futures December 2023	(109)	(0.02)
100	FTSE China A50 Index Futures November 2023	18	–
11	FTSE/JSE Top 40 Futures December 2023	(22)	–
156	Long Gilt Futures December 2023	(270)	(0.06)
24	S&P 500 E Mini Index Futures December 2023	(290)	(0.06)
7	TOPIX Index Futures December 2023	(32)	(0.01)
99	US Treasury Note 10 Year Futures December 2023	(327)	(0.07)
	TOTAL FUTURES	(1,446)	(0.30)
	Portfolio of investments ⁴	477,315	100.05
	Net other liabilities	(270)	(0.05)
	Net assets	477,045	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holding (see note 12).

² Closed end fund.

³ Counterparty: JPMorgan.

⁴ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT continued

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	80,564	Total sales for the year £'000 (note 16)	133,040
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
iShares Corporate Bond Index	19,468	iShares Corporate Bond Index	20,248
Long Gilt Futures December 2023	14,803	iShares UK Equity Index	19,746
Long Gilt Futures September 2023	14,550	M&G Sterling Investment Grade	
M&G (Lux) Asian Local Currency Bond	11,760	Corporate Bond	14,767
Legal & General Global Infrastructure Index	10,300	Long Gilt Futures September 2023	14,550
US Treasury Note 10 Year Futures June 2023	10,099	Legal & General European Index	10,946
US Treasury Note 10 Year Futures September 2023	10,074	US Treasury Note 10 Year Futures June 2023	10,099
US Treasury Note 10 Year Futures March 2023	9,868	US Treasury Note 10 Year Futures September 2023	10,074
US Treasury Note 10 Year Futures December 2023	9,294	Eastspring Asian Local Bond	9,996
M&G SA Equity	6,723	US Treasury Note 10 Year Futures March 2023	9,868
		iShares ESG Screened Euro Corporate Bond Index	9,517

In addition to the above, purchases totalling £10,990,382,000 and sales totalling £10,946,332,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital gains/(losses)	3		10,687		(80,994)
Revenue	4	14,643		12,191	
Expenses	5	(1,234)		(1,330)	
Interest payable and similar charges	6	(6)		(6)	
Net revenue before taxation		13,403		10,855	
Taxation	7	(1,426)		(762)	
Net revenue after taxation			11,977		10,093
Total return before distributions			22,664		(70,901)
Distributions	8		(11,979)		(10,093)
Change in net assets attributable to shareholders from investment activities			10,685		(80,994)

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			516,921		574,187
Amounts receivable on issue of shares		17,960		65,959	
Amounts payable on redemption of shares		<u>(77,439)</u>		<u>(49,989)</u>	
			(59,479)		15,970
Dilution levy	1(H)		17		-
Change in net assets attributable to shareholders from investment activities			10,685		(80,994)
Retained distributions on Accumulation shares			<u>8,901</u>		<u>7,758</u>
Closing net assets attributable to shareholders			<u>477,045</u>		<u>516,921</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

FINANCIAL STATEMENTS continued

BALANCE SHEET

as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		478,779	465,721
Current assets			
Debtors	9	761	2,697
Cash and cash equivalents	10	4,849	54,112
Total assets		<u>484,389</u>	<u>522,530</u>
LIABILITIES			
Investment liabilities		(1,464)	(995)
Creditors			
Distribution payable	11	(2,492)	(2,105)
Other creditors	11	(3,388)	(2,509)
Total liabilities		<u>(7,344)</u>	<u>(5,609)</u>
Net assets attributable to shareholders		<u>477,045</u>	<u>516,921</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	10,450	(77,890)
Derivative contracts	545	(2,969)
Transaction charges	(2)	(3)
Currency losses	(306)	(119)
Broker's commission on futures	—	(13)
Net capital gains/(losses)	<u>10,687</u>	<u>(80,994)</u>

The net capital gains/(losses) figure includes realised gains of £16,983,000 and unrealised gains of £47,904,000 (31.10.22: includes realised losses of £100,100,000 and unrealised gains of £54,198,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	6,091	6,926
Taxable dividends	1,217	448
Unfranked interest	6,837	4,265
AMC rebates from underlying investments	38	287
Bank interest	101	10
Revenue from tax transparent funds	335	234
Broker interest	24	21
Total revenue	14,643	12,191

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	1,148	1,266
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fees	36	39
Safe custody and other bank charges	32	10
	68	49
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	7	5
	18	15
Total expenses	1,234	1,330

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	6	6
Total interest payable and similar charges	6	6

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Corporation tax	1,397	740
Overseas tax	12	-
Adjustments in respect of prior periods	(14)	-
Tax incurred on tax transparent funds	31	22
Current tax charge	1,426	762
Deferred tax – origination and reversal of timing differences (note 7c)	-	-
Total taxation (note 7b)	1,426	762

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	13,403	10,855
Corporation tax at 20%	2,681	2,171

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Effects of:		
Non-taxable dividends	(1,284)	(1,431)
Corporation tax: adjustments in respect of prior years	(14)	–
Tax incurred on tax transparent funds	31	22
Corporation tax charge	1,414	762
Overseas tax	12	–
Total tax charge (note 7a)	1,426	762

c) Deferred tax

There was no deferred tax charge in the current or prior year.

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	11,394	9,861
	11,394	9,861
Add: Revenue deducted on redemption of shares	783	446
Deduct: Revenue received on issue of shares	(198)	(214)
Net distributions for the year	11,979	10,093

Details of the distributions per share are set out in the table on pages 315 and 316.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Distributions represented by:		
Net revenue after taxation	11,977	10,093
Equalisation on conversions ¹	2	–
Net distributions for the year	11,979	10,093

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	450	172
Sales awaiting settlement	–	2,082
Accrued revenue:		
Non-taxable dividends	–	179
Taxable dividends	–	1
Revenue from tax transparent funds	305	259
	305	439
Taxation recoverable:		
Income tax	6	4
Total debtors	761	2,697

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	1,685	51,323
Margin account	3,164	2,789
Total cash and cash equivalents	4,849	54,112

¹ Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	2,492	2,105
Other Creditors		
Amounts payable for redemption of shares	2,250	771
Purchases awaiting settlement	–	1,009
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	90	97
AMC rebates from underlying investments	143	163
	233	260
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	12	3
Transaction charges	1	1
Safe custody and other bank charges	5	3
	18	7
Taxation payable:		
Corporation tax	843	421
Tax incurred on tax transparent funds	28	25
	871	446
Other expenses	11	10
Expenses from tax transparent funds	5	6
Total other creditors	3,388	2,509

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

12. Related Party Transactions

The Annual Management Charge payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 299 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 277,988 (31.10.22: 315,644) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 55,618,885 (31.10.22: 58,800,125) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited 42.50% (31.10.22: 40.71%)

As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	111,237	58,043

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.48%	0.48%	0.00%
Opening shares in issue	5,585,182	217,191	58,800,375
Issues	728,118	662	4,779,038
Redemptions	(966,025)	(79,694)	(7,960,528)
Conversions	(663,366)	(33,999)	–
Closing shares in issue	<u>4,683,909</u>	<u>104,160</u>	<u>55,618,885</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.23%	0.23%	0.48%
Opening shares in issue	260,211,414	17,731,864	30,035,920
Issues	3,801,875	2,281,489	954,391
Redemptions	(35,385,726)	(3,224,630)	(5,451,238)
Conversions	861,977	40,235	(9,058)
Closing shares in issue	<u>229,489,540</u>	<u>16,828,958</u>	<u>25,530,015</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the balance sheet date. Details of the individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(1,446)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(987)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	542	886
Hong Kong dollars	41	–
Japanese yen	412	(431)
South African rand	6,513	431
US dollars	5,583	14,674
Total foreign currency exposure	13,091	15,560
Pounds sterling	463,954	501,361
Net assets	477,045	516,921

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £655,000 on the net assets of the Fund (31.10.22: £778,000).

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a Fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 1:1 and leverage under the commitment method was 1:1 (31.10.22: 0.90:1 and 1:1 respectively).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 86.92% of the portfolio can be liquidated within 5 days and 88.08% within 21 working days (31.10.22: 81.85% within 5 days and 82.48% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £23,866,000 (31.10.22: £23,236,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and the related counterparty are disclosed in the Portfolio of Investments.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	80,562	2	–	80,564
Purchases total	80,562	2	–	80,564
Transaction cost % of purchases total		–	–	
Transaction cost % of average NAV		–	–	
Ordinary shares	165	–	–	165
Collective investment schemes	132,876	(1)	–	132,875
Sales total	133,041	(1)	–	133,040
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.03% (31.10.22: 0.05%).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	723	–	4	727
Collective investment schemes	130,443	5	4	130,452
Purchases total	131,166	5	8	131,179
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	1,753	(1)	–	1,752
Collective investment schemes	113,762	(9)	–	113,753
Sales total	115,515	(10)	–	115,505
Transaction cost % of sales total		0.01%	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

31.10.23	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	13,002	465,777	–	478,779
Investment liabilities	(1,464)	–	–	(1,464)

31.10.22	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	8,075	457,646	–	465,721
Investment liabilities	(995)	–	–	(995)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	184.26	197.81	7.35%
A Income	141.54	148.65	5.03%
C Income	141.70	148.41	4.74%
P Accumulation	143.65	154.31	7.42%
P Income	119.69	125.53	4.88%
R Accumulation	164.17	176.24	7.35%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.9913	–	3.9913	2.9734
Group 2	1.7473	2.2440	3.9913	2.9734

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.0661	–	3.0661	2.3220
Group 2	2.2979	0.7682	3.0661	2.3220

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.6183	–	3.6183	2.9018
Group 2	1.6639	1.9544	3.6183	2.9018

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.4017	–	3.4017	2.6116
Group 2	2.0217	1.3800	3.4017	2.6116

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 3
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	2.8344	–	2.8344	2.2179
Group 2	1.7574	1.0770	2.8344	2.2179

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.5562	–	3.5562	2.6495
Group 2	2.0206	1.5356	3.5562	2.6495

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Passive Fund 4 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 14.5%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 14.5%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a bias towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 40-85% shares sector.

The Fund's performance may be compared against the IA Mixed Investment 40-85% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Passive Fund 4
29 February 2024

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 4.91%, P (Acc) 5.12% and A (Acc) 4.91% produced returns ahead of the 1.96% sector average for the IA Mixed Investment 40-85% shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (ACS) Matthews China Equity Fund
- Legal & General UK Property Fund
- Legal & General Global Infrastructure Index Fund
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G (Lux) Sterling Liquidity Fund
- M&G (ACS) BlackRock Canada Index Fund

The Fund exited:

- Legal & General UK Index
- Boussard and Gavaudan
- Round Hill Music Royalty Fund
- M&G Sterling Investment Grade Corporate Bond Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

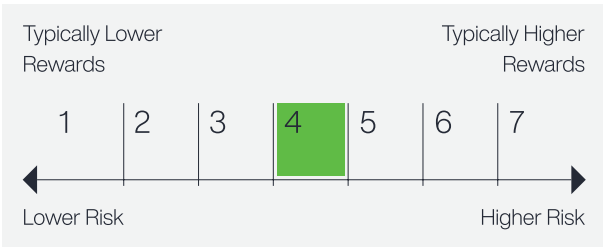
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

17 November 2023

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
ACD’S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 4 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	134.75	150.88	130.62
Return before operating charges*	6.92	(15.33)	21.07
Operating charges	(0.79)	(0.80)	(0.81)
Return after operating charges	6.13	(16.13)	20.26
Distributions	(3.19)	(2.47)	(1.86)
Retained distributions on accumulation shares	3.19	2.47	1.86
Closing net asset value per share	140.88	134.75	150.88
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	4.55%	(10.69)%	15.51%
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OTHER INFORMATION

Closing net asset value (£'000)	247	178	134
Closing number of shares	174,952	132,221	88,702
Operating charges	0.55%	0.55%	0.55%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	148.73	155.04	153.61
Lowest share price	134.91	131.90	131.34

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	120.54	137.44	120.51
Return before operating charges*	6.38	(13.54)	19.80
Operating charges	(0.67)	(0.73)	(0.74)
Return after operating charges	5.71	(14.27)	19.06
Distributions	(3.05)	(2.63)	(2.13)
Closing net asset value per share	123.20	120.54	137.44
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	4.74%	(10.38)%	15.82%
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OTHER INFORMATION

Closing net asset value (£'000)	–	–	–
Closing number of shares	250	250	250
Operating charges	0.52%	0.55%	0.55%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	133.10	141.51	142.28
Lowest share price	120.66	120.53	121.30

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	102.41	116.94	102.50
Return before operating charges*	5.16	(12.11)	16.42
Operating charges	(0.08)	(0.07)	(0.08)
Return after operating charges	5.08	(12.18)	16.34
Distributions	(2.85)	(2.35)	(1.90)
Closing net asset value per share	104.64	102.41	116.94
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	4.96%	(10.42)%	15.94%
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OTHER INFORMATION

Closing net asset value (£'000)	10,644	10,744	10,119
Closing number of shares	10,172,040	10,491,530	8,653,710
Operating charges	0.07%	0.06%	0.07%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	113.15	120.01	120.72
Lowest share price	102.52	102.52	102.86

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	138.64	154.95	133.89
Return before operating charges*	7.05	(15.88)	21.51
Operating charges	(0.44)	(0.43)	(0.45)
Return after operating charges	6.61	(16.31)	21.06
Distributions	(3.58)	(2.84)	(2.21)
Retained distributions on accumulation shares	3.58	2.84	2.21
Closing net asset value per share	145.25	138.64	154.95
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	4.77%	(10.53)%	15.73%
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OTHER INFORMATION

Closing net asset value (£'000)	163,639	156,680	156,318
Closing number of shares	112,662,334	113,010,022	100,880,214
Operating charges	0.30%	0.29%	0.30%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	153.11	159.21	157.67
Lowest share price	138.81	135.70	134.58

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	120.79	137.78	120.76
Return before operating charges*	6.15	(14.08)	19.42
Operating charges	(0.39)	(0.39)	(0.41)
Return after operating charges	5.76	(14.47)	19.01
Distributions	(3.12)	(2.52)	(1.99)
Closing net asset value per share	123.43	120.79	137.78
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	4.77%	(10.50)%	15.74%
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OTHER INFORMATION

Closing net asset value (£'000)	6,903	6,330	6,976
Closing number of shares	5,592,834	5,240,248	5,063,072
Operating charges	0.30%	0.29%	0.30%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	133.39	141.63	142.27
Lowest share price	120.92	120.69	121.43

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	136.65	153.02	132.48
Return before operating charges*	7.02	(15.57)	21.35
Operating charges	(0.80)	(0.80)	(0.81)
Return after operating charges	6.22	(16.37)	20.54
Distributions	(3.23)	(2.50)	(1.88)
Retained distributions on accumulation shares	3.23	2.50	1.88
Closing net asset value per share	142.87	136.65	153.02
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	4.55%	(10.70)%	15.50%
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OTHER INFORMATION

Closing net asset value (£'000)	15,750	17,387	17,510
Closing number of shares	11,023,598	12,723,859	11,442,950
Operating charges	0.55%	0.54%	0.55%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	150.83	157.21	155.77
Lowest share price	136.81	133.76	133.18

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Passive Fund 4	5.12	7.82	16.06
IA Mixed Investment 40-85% shares sector ¹	1.96	9.34	17.49

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 350 and 351.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 51.11% (31.10.22 – 53.74%)		
	CONTINENTAL EUROPE – 7.21% (31.10.22 – 8.22%)		
3,888,948	Legal & General European Index	12,849	6.52
1,805,009	M&G (Lux) Pan European Smaller Companies ¹	1,365	0.69
	TOTAL CONTINENTAL EUROPE	14,214	7.21
	UNITED KINGDOM – 16.30% (31.10.22 – 19.67%)		
15,475,373	iShares UK Equity Index	32,131	16.30
	ASIA EX JAPAN – 9.26% (31.10.22 – 9.44%)		
8,121,077	iShares Pacific ex Japan Equity Index	17,624	8.94
652,224	M&G (ACS) Matthews China Equity ¹	630	0.32
	TOTAL ASIA EX JAPAN	18,254	9.26
	JAPAN – 4.03% (31.10.22 – 4.09%)		
2,989,954	iShares Japan Equity Index	7,568	3.84
327,538	M&G (ACS) Japan Smaller Companies ¹	371	0.19
	TOTAL JAPAN	7,939	4.03
	NORTH AMERICA – 6.85% (31.10.22 – 6.89%)		
2,219,034	iShares US Equity Index	10,180	5.16
1,647,598	M&G (ACS) BlackRock Canada Index ¹	1,515	0.77
1,669,668	M&G (ACS) BlackRock US Equity ¹	1,811	0.92
	TOTAL NORTH AMERICA	13,506	6.85
	AFRICA – 1.63% (31.10.22 – 0.00%)		
8,147,054	M&G SA Equity ¹	3,208	1.63

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EMERGING MARKETS – 5.83% (31.10.22 – 5.43%)		
4,143,489	iShares Emerging Markets Equity Index	6,854	3.48
324,160	iShares MSCI India	1,987	1.00
2,469,242	M&G (ACS) China ¹	1,622	0.82
1,773,611	M&G (ACS) China Equity ¹	1,047	0.53
	TOTAL EMERGING MARKETS	11,510	5.83
	TOTAL EQUITY PORTFOLIOS	100,762	51.11
	EQUITY INVESTMENT INSTRUMENTS – 2.54% (31.10.22 – 0.26%)		
208,672	DP Aircraft I ²	9	–
138,535	Ecofin US Renewables Infrastructure ²	65	0.03
6,788,172	Legal & General Global Infrastructure Index	4,926	2.50
36,215	NB Distressed Debt Investment ²	17	0.01
	TOTAL EQUITY INVESTMENT INSTRUMENTS	5,017	2.54
	PROPERTY PORTFOLIOS – 3.25% (31.10.22 – 0.64%)		
131,018	iShares European Property Yield	2,715	1.38
367,056	iShares UK Property	1,434	0.73
2,295,450	Legal & General UK Property	2,250	1.14
	TOTAL PROPERTY PORTFOLIOS	6,399	3.25
	BOND PORTFOLIOS – 35.13% (31.10.22 – 35.16%)		
21,934,181	iShares Corporate Bond Index	29,298	14.86
751,832	iShares ESG Screened Euro Corporate Bond Index	7,406	3.76
1,734,798	iShares US Corporate Bond Index	16,448	8.34
122,311	M&G (Lux) Asian Corporate Bond ¹	1,176	0.60
366,647	M&G (Lux) Asian Local Currency Bond ¹	3,561	1.80
5,515,749	M&G Emerging Markets Bond ¹	6,003	3.04
4,086,563	M&G Global High Yield Bond ¹	5,387	2.73
	TOTAL BOND PORTFOLIOS	69,279	35.13

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	MONEY MARKETS – 8.17% (31.10.22 – 0.00%)		
16,106,000	M&G (Lux) Sterling Liquidity ¹	16,106	8.17
	FUTURES – (0.31)% (31.10.22 – (0.20)%) ³		
20	E Mini Russell 2000 Index Futures December 2023	(168)	(0.09)
16	EURO STOXX 50 Index Futures December 2023	(29)	(0.01)
23	FTSE 100 Index Futures December 2023	(55)	(0.03)
41	FTSE China A50 Index Futures November 2023	8	–
6	FTSE/JSE Top 40 Futures December 2023	(12)	(0.01)
52	Long Gilt Futures December 2023	(90)	(0.04)
11	S&P 500 E Mini Index Futures December 2023	(133)	(0.07)
3	TOPIX Index Futures December 2023	(14)	(0.01)
32	US Treasury Note 10 Year Futures December 2023	(106)	(0.05)
	TOTAL FUTURES	(599)	(0.31)
	Portfolio of investments ⁴	196,964	99.89
	Net other assets	219	0.11
	Net assets	197,183	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holdings (see note 12).

² Closed end fund.

³ Counterparty: JPMorgan.

⁴ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT continued

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	40,890	Total sales for the year £'000 (note 16)	40,364
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
iShares Corporate Bond Index	7,730	iShares UK Equity Index	8,441
Legal & General Global Infrastructure Index	5,139	M&G Sterling Investment Grade Corporate Bond	5,018
Long Gilt Futures December 2023	4,934	Long Gilt Futures September 2023	4,819
Long Gilt Futures September 2023	4,819	iShares Corporate Bond Index	4,015
M&G (Lux) Asian Local Currency Bond	3,612	Legal & General European Index	3,573
M&G SA Equity	3,440	FTSE 100 Index Futures June 2023	3,215
FTSE 100 Index Futures June 2023	3,215	US Treasury Note 10 Year Futures September 2023	3,202
US Treasury Note 10 Year Futures September 2023	3,202	S&P 500 E Mini Index Futures September 2023	3,115
S&P 500 E Mini Index Futures September 2023	3,115	FTSE/JSE Top 40 Futures March 2023	3,077
FTSE/JSE Top 40 Futures March 2023	3,077	US Treasury Note 10 Year Futures June 2023	3,056

In addition to the above, purchases totalling £4,124,309,000 and sales totalling £4,107,372,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital gains/(losses)	3		4,154		(26,492)
Revenue	4	5,886		4,598	
Expenses	5	(540)		(524)	
Interest payable and similar charges	6	(1)		(2)	
Net revenue before taxation		5,345		4,072	
Taxation	7	(451)		(198)	
Net revenue after taxation			4,894		3,874
Total return before distributions			9,048		(22,618)
Distributions	8		(4,894)		(3,874)
Change in net assets attributable to shareholders from investment activities			4,154		(26,492)

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

as at 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			191,320		191,057
Amounts receivable on issue of shares		21,302		40,369	
Amounts payable on redemption of shares		<u>(23,994)</u>		<u>(17,141)</u>	
			(2,692)		23,228
Dilution levy	1(H)		9		-
Change in net assets attributable to shareholders from investment activities			4,154		(26,492)
Retained distributions on Accumulation shares			<u>4,392</u>		<u>3,527</u>
Closing net assets attributable to shareholders			<u>197,183</u>		<u>191,320</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4**FINANCIAL STATEMENTS** continued**BALANCE SHEET**

as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		197,571	171,816
Current assets			
Debtors	9	526	1,022
Cash and cash equivalents	10	1,756	19,710
Total assets		<u>199,853</u>	<u>192,548</u>
LIABILITIES			
Investment liabilities		(607)	(392)
Creditors			
Distribution payable	11	(464)	(379)
Other creditors	11	(1,599)	(457)
Total liabilities		<u>(2,670)</u>	<u>(1,228)</u>
Net assets attributable to shareholders		<u>197,183</u>	<u>191,320</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	3,858	(25,336)
Derivative contracts	381	(1,126)
Transaction charges	(2)	(3)
Currency losses	(83)	(22)
Broker's commission on futures	–	(5)
Net capital gains/(losses)	4,154	(26,492)

The net capital gains figure includes realised gains of £3,813,000 and unrealised gains of £11,254,000 (31.10.22: includes realised losses of £26,487,000 and unrealised gains of £10,911,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	3,036	3,028
Taxable dividends	346	120
Unfranked interest	2,256	1,243
AMC rebates from underlying investments	18	79
Bank interest	55	1
Revenue from tax transparent funds	166	117
Broker interest	9	10
Total revenue	5,886	4,598

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	485	486
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	17	17
Safe custody and other bank charges	24	9
	41	26
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	3	2
	14	12
Total expenses	540	524

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	1	2
Total interest payable and similar charges	1	2

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Corporation tax	430	186
Overseas tax	5	–
Adjustments in respect of prior periods	1	–
Tax incurred on tax transparent funds	15	12
Current tax charge	451	198
Deferred tax – origination and reversal of timing differences (note 7c)	–	–
Total taxation (note 7b)	451	198

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	5,345	4,072
Corporation tax at 20%	1,069	814
Effects of:		
Non-taxable dividends	(640)	(628)
Corporation tax: adjustments in respect of prior years	1	–
Tax incurred on tax transparent funds	15	12
Corporation tax charge	445	198
Overseas tax	6	–
Total tax charge (note 7a)	451	198

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

c) Deferred tax

There was no deferred tax charge in the current or prior year.

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	4,855	3,906
	4,855	3,906
Add: Revenue deducted on redemption of shares	229	146
Deduct: Revenue received on issue of shares	(190)	(178)
Net distributions for the year	4,894	3,874

Details of the distributions per share are set out in the table on pages 350 and 351.

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	371	361
Sales awaiting settlement	–	501
Accrued revenue:		
Non-taxable dividends	–	40
Revenue from tax transparent funds	152	118
	152	158
Taxation recoverable:		
Income tax	3	2
Total debtors	526	1,022

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	467	18,524
Margin account	1,289	1,186
Total cash and cash equivalents	1,756	19,710

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	464	379
Other Creditors		
Amounts payable for redemption of shares	246	237
Purchases awaiting settlement	989	–
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	40	39
AMC rebates from underlying investments	30	40
	70	79
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	6	1
Transaction charges	1	1
Safe custody and other bank charges	4	3
	11	5
Taxation payable:		
Corporation tax	255	113
Tax incurred on tax transparent funds	14	11
	269	124

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Other expenses	11	10
Expenses from tax transparent funds	3	2
Total other creditors	1,599	457

12. Related Party Transactions

The Annual Management Charge payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 335 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 375,808 (31.10.22: 389,767) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 10,172,040 (31.10.22: 10,491,280) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited	37.10% (31.10.22: 39.00%)
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As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	43,802	20,877

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.48%	0.48%	0.00%
Opening shares in issue	132,221	250	10,491,530
Issues	65,551	–	922,966
Redemptions	(22,820)	–	(1,242,456)
Closing shares in issue	<u>174,952</u>	<u>250</u>	<u>10,172,040</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.23%	0.23%	0.48%
Opening shares in issue	113,010,022	5,240,248	12,723,859
Issues	11,987,976	941,401	919,193
Redemptions	(12,335,664)	(588,815)	(2,619,454)
Closing shares in issue	<u>112,662,334</u>	<u>5,592,834</u>	<u>11,023,598</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the balance sheet date. Details of the individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(599)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(389)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	131	741
Hong Kong dollars	42	–
Japanese yen	170	116
South African rand	3,297	462
US dollars	2,522	5,439
Total foreign currency exposure	6,162	6,758
Pounds sterling	191,021	184,562
Net assets	197,183	191,320

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £308,000 on the net assets of the Fund (31.10.22: £338,000).

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 1:1 and leverage under the commitment method was 1:1 (31.10.22: 0.90:1 and 1:1 respectively).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 89.06% of the portfolio can be liquidated within 5 days and 89.93% within 21 working days (31.10.22: 87.09% within 5 days and 87.38% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £9,848,000 (31.10.22: £8,571,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and the related counterparty are disclosed in the Portfolio of Investments.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	40,889	1	–	40,890
Purchases total	40,889	1	–	40,890
Transaction cost % of purchases total		–	–	
Transaction cost % of average NAV		–	–	
Ordinary shares	61	–	–	61
Collective investment schemes	40,303	–	–	40,303
Sales total	40,364	–	–	40,364
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.04% (31.10.22: 0.05%).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	266	–	2	268
Collective investment schemes	55,904	2	1	55,907
Purchases total	56,170	2	3	56,175
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	768	–	–	768
Collective investment schemes	35,210	(3)	–	35,207
Sales total	35,978	(3)	–	35,975
Transaction cost % of sales total		0.01%	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.10.23				
Investment assets	6,235	191,336	–	197,571
Investment liabilities	(607)	–	–	(607)

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.10.22				
Investment assets	3,459	168,357	–	171,816
Investment liabilities	(392)	–	–	(392)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	140.86	151.74	7.73%
A Income	126.22	132.80	5.21%
C Income	107.46	112.83	4.99%
P Accumulation	145.22	156.54	7.80%
P Income	126.52	133.02	5.14%
R Accumulation	142.85	153.88	7.72%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.1861	–	3.1861	2.4668
Group 2	2.9455	0.2406	3.1861	2.4688

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.0480	–	3.0480	2.6320
Group 2	3.0480	0.0000	3.0480	2.6320

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	2.8467	–	2.8467	2.3505
Group 2	1.7670	1.0797	2.8467	2.3505

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.5773	–	3.5773	2.8365
Group 2	2.2113	1.3660	3.5773	2.8365

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 4
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.1164	–	3.1164	2.5230
Group 2	1.8597	1.2567	3.1164	2.5230

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.2307	–	3.2307	2.5026
Group 2	2.0142	1.2165	3.2307	2.5026

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5 ACD'S REPORT

for the year ended 31 October 2023

Important Information

Refer to the 'Important Information' section on pages 12 and 13.

Investment Objective and Policy

The WS Prudential Risk Managed Passive Fund 5 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 17%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 17%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the 'target strategic asset allocation') to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a high exposure towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other Information: The Fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

Benchmark

The Fund's comparator benchmark is the IA Flexible Investment shares sector.

The Fund's performance may be compared against the IA Flexible Investment shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Prudential Risk Managed Passive Fund 5

29 February 2024

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT

for the year ended 31 October 2023

Between 1 November 2022 and 31 October 2023 (the period in review) share classes R (Acc) 5.69%, P (Acc) 5.90% and A (Acc) 5.69% produced returns ahead of the 1.85% sector average for IA Flexible Investment shares sector.

Market Overview

Financial markets ended a torrid 2022 on a positive note in the fourth quarter as equities and bonds recouped some of their previous losses. Despite this, both asset classes finished 2022 in negative territory.

2023 started positively, with optimism about China's reopening and hopes that inflation might be slowing but share prices retreated and bonds started to decline amid concerns that central banks would keep raising interest rates to tackle persistent high inflation.

Volatility spiked as the collapse of Silicon Valley Bank in the US and the emergency rescue of Credit Suisse in Switzerland raised fears about the health of the banking system globally. However, markets stabilised by the end of the first quarter on the belief that the banking crisis had been contained.

The prospect of higher for longer interest rates was a significant drag on financial markets towards the end of the period in review. While inflationary pressures generally continued to ease and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period.

The US 10-year Treasury yield climbed to the highest level since 2007. Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

The selloff in the bond market spilled over to equity markets. The S&P 500 Index fell towards the end of the period in review but remains in positive territory for 2023. European stock markets, notably those in France and Germany, also had a weak period, amid worries that the region's economy might enter a recession.

In recent months UK multinationals benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022.

Economic headwinds and the outlook for interest rates continue to drive real estate valuations. Following a relatively stable period from March to May 2023, capital values for All UK commercial property are declining again. According to property consultant CBRE, prices fell by 1.0% for the three months to August (the latest date for which data is available).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

Activity

The following new funds have been added:

- M&G (ACS) Matthews China Equity Fund
- Legal & General UK Property Fund
- Legal & General Global Infrastructure Index Fund
- Long Gilt Futures December 2023
- M&G SA Equity Fund
- M&G (Lux) Asian Corporate Bond Fund
- M&G (Lux) Asian Local Currency Bond Fund
- M&G (Lux) Sterling Liquidity Fund
- M&G (ACS) BlackRock Canada Index Fund

The Fund exited:

- Legal & General UK Index
- Boussard and Gavaudan
- Round Hill Music Royalty Fund
- M&G Sterling Investment Grade Corporate Bond Fund
- Eastspring Asian Bond Fund
- Eastspring Asian Local Bond Fund

Tactical Positioning

With some disinflation traction, alongside the strong fundamentals of the US economy and the spill-over effects this could have globally, the portfolio managers are currently moderately overweight equities (+2%), with funding from European investment grade (-1.75%) and Cash (-0.25%).

Outlook

Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be key to their 'data dependent' actions.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

PORTFOLIO MANAGER'S REPORT continued

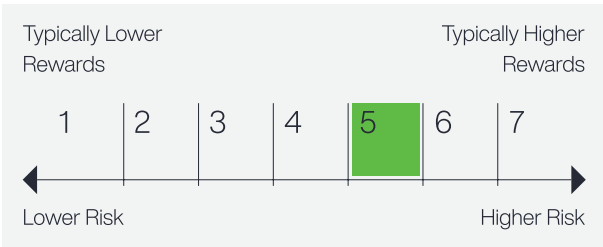
With growing evidence that inflation has peaked, and rates are at the higher end of their potential range, attention has turned towards the potential for a global economic 'soft landing.' Equities appear to be at least partially pricing this optimistic outcome, but the recent sharp rise in bond yields is putting pressure on equity valuations.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager
17 November 2023

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
ACD'S REPORT continued
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The Fund has been classed as 5 because the volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The Fund targets a risk level of 5 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Credit Risk: The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

Property Fund Investment Risk: Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

Changes in Interest Rate Risk: A rise in interest rates generally causes bond prices to fall.

For more information about the Fund's risks please see the Risk Factors section of the Prospectus which is available at www.waystone.com.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date. Following regulatory changes, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	145.03	160.26	134.00
Return before operating charges*	8.33	(14.36)	27.11
Operating charges	(0.89)	(0.87)	(0.85)
Return after operating charges	7.44	(15.23)	26.26
Distributions	(3.57)	(2.99)	(2.25)
Retained distributions on accumulation shares	3.57	2.99	2.25
Closing net asset value per share	152.47	145.03	160.26
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	5.13%	(9.50)%	19.60%
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OTHER INFORMATION

Closing net asset value (£'000)	148	172	168
Closing number of shares	97,195	118,201	105,042
Operating charges	0.57%	0.56%	0.55%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	161.25	165.08	163.06
Lowest share price	145.19	142.03	134.81

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	128.90	145.54	123.43
Return before operating charges*	7.40	(13.12)	24.96
Operating charges	(0.78)	(0.79)	(0.78)
Return after operating charges	6.62	(13.91)	24.18
Distributions	(3.17)	(2.73)	(2.07)
Closing net asset value per share	132.35	128.90	145.54
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	5.14%	(9.56)%	19.59%
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OTHER INFORMATION

Closing net asset value (£'000)	18	32	14
Closing number of shares	13,326	25,020	9,294
Operating charges	0.56%	0.56%	0.55%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	143.33	149.97	150.23
Lowest share price	129.03	128.92	124.11

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

C INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	106.07	119.88	101.67
Return before operating charges*	5.97	(11.03)	20.45
Operating charges	(0.10)	(0.09)	(0.08)
Return after operating charges	5.87	(11.12)	20.37
Distributions	(3.05)	(2.69)	(2.16)
Closing net asset value per share	108.89	106.07	119.88
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	5.53%	(9.27)%	20.04%
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OTHER INFORMATION

Closing net asset value (£'000)	7,695	7,664	9,634
Closing number of shares	7,066,785	7,225,543	8,036,555
Operating charges	0.09%	0.08%	0.07%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	118.06	123.24	123.80
Lowest share price	106.17	106.50	101.99

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	149.26	164.69	137.43
Return before operating charges*	8.49	(14.93)	27.73
Operating charges	(0.51)	(0.50)	(0.47)
Return after operating charges	7.98	(15.43)	27.26
Distributions	(4.00)	(3.40)	(2.63)
Retained distributions on accumulation shares	4.00	3.40	2.63
Closing net asset value per share	157.24	149.26	164.69
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	5.35%	(9.37)%	19.84%
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OTHER INFORMATION

Closing net asset value (£'000)	100,062	83,216	94,443
Closing number of shares	63,637,578	55,750,681	57,347,326
Operating charges	0.32%	0.31%	0.30%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	166.05	169.57	167.41
Lowest share price	149.43	146.17	138.17

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

P INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	129.36	146.00	123.80
Return before operating charges*	7.34	(13.18)	25.00
Operating charges	(0.44)	(0.44)	(0.43)
Return after operating charges	6.90	(13.62)	24.57
Distributions	(3.46)	(3.02)	(2.37)
Closing net asset value per share	132.80	129.36	146.00
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	5.33%	(9.33)%	19.85%
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OTHER INFORMATION

Closing net asset value (£'000)	2,918	2,116	2,330
Closing number of shares	2,197,469	1,635,782	1,595,800
Operating charges	0.32%	0.31%	0.30%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	143.91	150.42	150.90
Lowest share price	129.48	129.63	124.53

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

FUND INFORMATION continued

Comparative Tables continued

R ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.10.23 pence per share	31.10.22 pence per share	31.10.21 pence per share
Opening net asset value per share	146.99	162.49	135.89
Return before operating charges*	8.44	(14.61)	27.46
Operating charges	(0.90)	(0.89)	(0.86)
Return after operating charges	7.54	(15.50)	26.60
Distributions	(3.62)	(3.04)	(2.28)
Retained distributions on accumulation shares	3.62	3.04	2.28
Closing net asset value per share	154.53	146.99	162.49
* after direct transaction costs of:	–	0.01	0.01

PERFORMANCE

Return after charges	5.13%	(9.54)%	19.57%
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OTHER INFORMATION

Closing net asset value (£'000)	8,636	8,909	10,896
Closing number of shares	5,588,404	6,061,115	6,705,488
Operating charges	0.57%	0.56%	0.55%
Direct transaction costs	–	0.01%	0.01%

PRICES

Highest share price	163.44	167.30	165.25
Lowest share price	147.15	143.95	136.61

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
ACD’S REPORT continued
FUND INFORMATION continued

Fund Performance to 31 October 2023 (%)

	1 year	3 years	5 years
WS Prudential Risk Managed Passive Fund 5	5.90	13.75	21.49
IA Flexible Investment shares sector ¹	1.85	10.88	20.20

¹ Source: Morningstar Direct.

The performance of the Fund is based on the published price per P Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 385 and 386.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
ACD'S REPORT continued
PORTFOLIO STATEMENT
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EQUITY PORTFOLIOS – 62.21% (31.10.22 – 65.49%)		
	CONTINENTAL EUROPE – 8.79% (31.10.22 – 9.90%)		
2,874,084	Legal & General European Index	9,496	7.95
1,329,692	M&G (Lux) Pan European Smaller Companies ¹	1,006	0.84
	TOTAL CONTINENTAL EUROPE	10,502	8.79
	UNITED KINGDOM – 19.76% (31.10.22 – 23.91%)		
11,370,540	iShares UK Equity Index	23,608	19.76
	ASIA EX JAPAN – 11.37% (31.10.22 – 11.62%)		
6,049,560	iShares Pacific ex Japan Equity Index	13,128	10.99
466,026	M&G (ACS) Matthews China Equity ¹	450	0.38
	TOTAL ASIA EX JAPAN	13,578	11.37
	JAPAN – 4.89% (31.10.22 – 4.96%)		
2,203,876	iShares Japan Equity Index	5,578	4.67
230,923	M&G (ACS) Japan Smaller Companies ¹	262	0.22
	TOTAL JAPAN	5,840	4.89
	NORTH AMERICA – 8.52% (31.10.22 – 8.44%)		
1,675,678	iShares US Equity Index	7,687	6.43
1,185,712	M&G (ACS) BlackRock Canada Index ¹	1,090	0.91
1,300,750	M&G (ACS) BlackRock US Equity ¹	1,410	1.18
	TOTAL NORTH AMERICA	10,187	8.52
	AFRICA – 1.89% (31.10.22 – 0.00%)		
5,726,208	M&G SA Equity ¹	2,255	1.89

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

PORTFOLIO STATEMENT continued

as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	EMERGING MARKETS – 6.99% (31.10.22 – 6.66%)		
3,042,498	iShares Emerging Markets Equity Index	5,033	4.21
224,545	iShares MSCI India	1,376	1.15
1,833,232	M&G (ACS) China ¹	1,204	1.01
1,254,341	M&G (ACS) China Equity ¹	741	0.62
	TOTAL EMERGING MARKETS	8,354	6.99
	TOTAL EQUITY PORTFOLIOS	74,324	62.21
	EQUITY INVESTMENT INSTRUMENTS – 2.90% (31.10.22 – 0.30%)		
160,298	DP Aircraft I ²	7	0.01
85,959	Ecofin US Renewables Infrastructure Trust ²	41	0.04
4,681,108	Legal & General Global Infrastructure Index	3,397	2.84
31,348	NB Distressed Debt Investment ²	15	0.01
	TOTAL EQUITY INVESTMENT INSTRUMENTS	3,460	2.90
	PROPERTY PORTFOLIOS – 3.46% (31.10.22 – 0.69%)		
84,748	iShares European Property Yield	1,756	1.47
239,196	iShares UK Property	935	0.78
1,475,145	Legal & General UK Property	1,446	1.21
	TOTAL PROPERTY PORTFOLIOS	4,137	3.46
	BOND PORTFOLIOS – 23.44% (31.10.22 – 23.79%)		
8,548,830	iShares Corporate Bond Index	11,419	9.56
244,957	iShares ESG Screened Euro Corporate Bond Index	2,413	2.02
696,576	iShares US Corporate Bond Index	6,604	5.53
47,831	M&G (Lux) Asian Corporate Bond ¹	460	0.39
157,766	M&G (Lux) Asian Local Currency Bond ¹	1,532	1.28
2,764,030	M&G Emerging Markets Bond ¹	3,008	2.52
1,943,231	M&G Global High Yield Bond ¹	2,562	2.14
	TOTAL BOND PORTFOLIOS	27,998	23.44

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
ACD'S REPORT continued
PORTFOLIO STATEMENT continued
as at 31 October 2023

Holding	Portfolio of Investments	Value £'000	31.10.23 %
	MONEY MARKETS – 7.66% (31.10.22 – 0.00%)		
9,152,000	M&G (Lux) Sterling Liquidity ¹	9,152	7.66
	FUTURES – (0.31)% (31.10.22 – (0.22)%) ³		
13	E Mini Russell 2000 Index Futures December 2023	(109)	(0.09)
13	EURO STOXX 50 Index Futures December 2023	(24)	(0.02)
20	FTSE 100 Index Futures December 2023	(42)	(0.04)
24	FTSE China A50 Index Futures November 2023	4	–
8	FTSE/JSE Top 40 Futures December 2023	(16)	(0.01)
24	Long Gilt Futures December 2023	(42)	(0.03)
7	S&P 500 E Mini Index Futures December 2023	(84)	(0.07)
2	TOPIX Index Futures December 2023	(9)	(0.01)
14	US Treasury Note 10 Year Futures December 2023	(46)	(0.04)
	TOTAL FUTURES	(368)	(0.31)
	Portfolio of investments ⁴	118,703	99.36
	Net other assets	774	0.64
	Net assets	119,477	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investment schemes unless stated otherwise.

¹ Related party holding (see note 12).

² Closed end fund.

³ Counterparty: JPMorgan.

⁴ Includes investment liabilities.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT continued

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 October 2023

Total purchases for the year £'000 (note 16)	30,816	Total sales for the year £'000 (note 16)	18,049
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Legal & General Global Infrastructure Index	3,544	iShares UK Equity Index	4,742
iShares Corporate Bond Index	3,392	FTSE 100 Index Futures December 2022	4,005
FTSE 100 Index Futures December 2022	2,670	Legal & General European Index	2,091
iShares Pacific ex Japan Equity Index	2,581	FTSE/JSE Top 40 Futures December 2022	1,986
iShares UK Equity Index	2,451	iShares Pacific ex Japan Equity Index	1,868
M&G SA Equity	2,418	iShares Corporate Bond Index	1,425
Long Gilt Futures December 2023	2,277	iShares US Equity Index	1,246
iShares European Property Yield	1,617	S&P 500 E Mini Index Futures December 2022	1,195
Legal & General European Index	1,588	M&G Sterling Investment Grade Corporate Bond	1,176
M&G (Lux) Asian Local Currency Bond	1,554	Eastspring Asian Local Bond	1,109

In addition to the above, purchases totalling £2,156,449,000 and sales totalling £2,146,936,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 October 2023

	Notes	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Income:					
Net capital gains/(losses)	3		2,317		(14,001)
Revenue	4	3,396		2,799	
Expenses	5	(315)		(306)	
Interest payable and similar charges	6	<u>–</u>		<u>(1)</u>	
Net revenue before taxation		3,081		2,492	
Taxation	7	<u>(188)</u>		<u>(80)</u>	
Net revenue after taxation			2,893		2,412
Total return before distributions			5,210		(11,589)
Distributions	8		<u>(2,893)</u>		<u>(2,412)</u>
Change in net assets attributable to shareholders from investment activities			<u>2,317</u>		<u>(14,001)</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

FINANCIAL STATEMENTS continued

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 October 2023

	Note	£'000	31.10.23 £'000	£'000	31.10.22 £'000
Opening net assets attributable to shareholders			102,109		117,485
Amounts receivable on issue of shares		22,797		21,501	
Amounts payable on redemption of shares		<u>(10,502)</u>		<u>(24,962)</u>	
			12,295		(3,461)
Dilution levy	1(H)		6		-
Change in net assets attributable to shareholders from investment activities			2,317		(14,001)
Retained distributions on Accumulation shares			<u>2,750</u>		<u>2,086</u>
Closing net assets attributable to shareholders			<u>119,477</u>		<u>102,109</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5**FINANCIAL STATEMENTS** continued**BALANCE SHEET**

as at 31 October 2023

	Notes	31.10.23 £'000	31.10.22 £'000
ASSETS			
Fixed assets			
Investments		119,075	92,181
Current assets			
Debtors	9	234	353
Cash and cash equivalents	10	1,435	10,192
Total assets		<u>120,744</u>	<u>102,726</u>
LIABILITIES			
Investment liabilities		(372)	(227)
Creditors			
Distribution payable	11	(292)	(245)
Other creditors	11	(603)	(145)
Total liabilities		<u>(1,267)</u>	<u>(617)</u>
Net assets attributable to shareholders		<u>119,477</u>	<u>102,109</u>

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2023

1. Accounting Policies

The accounting policies described on pages 23 to 26 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 26 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31.10.23 £'000	31.10.22 £'000
Non-derivative securities	2,070	(13,242)
Derivative contracts	299	(745)
Transaction charges	(3)	(2)
Broker's commission on futures	–	(4)
Currency losses	(49)	(8)
Net capital gains/(losses)	2,317	(14,001)

The net capital gains figure includes realised gains of £1,903,000 and unrealised gains of £3,856,000 (31.10.22: includes realised losses of £8,171,000 and unrealised gains of £3,439,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

4. Revenue

	31.10.23 £'000	31.10.22 £'000
Non-taxable dividends	2,098	2,053
Taxable dividends	757	52
Unfranked interest	364	569
AMC rebates from underlying investments	11	37
Bank interest	37	1
Revenue from tax transparent funds	123	81
Broker interest	6	6
Total revenue	3,396	2,799

5. Expenses

	31.10.23 £'000	31.10.22 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	269	275
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fees	10	10
Safe custody and other bank charges	22	9
	32	19
Other expenses:		
Audit fees	11	10
Expenses from tax transparent funds	3	2
	14	12
Total expenses	315	306

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

6. Interest Payable and Similar Charges

	31.10.23 £'000	31.10.22 £'000
Interest payable	–	1
Total interest payable and similar charges	–	1

7. Taxation

	31.10.23 £'000	31.10.22 £'000
a) Analysis of charge for the year		
Corporation tax	173	72
Overseas tax	4	–
Tax incurred on tax transparent funds	11	8
Current tax charge	188	80
Deferred tax – origination and reversal of timing differences (note 7c)	–	–
Total taxation (note 7b)	188	80

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.10.22: 20%). The difference is explained below:

	31.10.23 £'000	31.10.22 £'000
Net revenue before taxation	3,081	2,492
Corporation tax at 20%	616	498
Effects of:		
Non-taxable dividends	(443)	(426)
Tax incurred on tax transparent funds	11	8
Corporation tax charge	184	80
Overseas tax	4	–
Total tax charge (note 7a)	188	80

c) Deferred tax

There was no deferred tax charge in the current or prior year.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.10.23 £'000	31.10.22 £'000
Final	3,042	2,330
	3,042	2,330
Add: Revenue deducted on redemption of shares	83	220
Deduct: Revenue received on issue of shares	(232)	(138)
Net distributions for the year	2,893	2,412

Details of the distributions per share are set out in the table on pages 385 and 386.

9. Debtors

	31.10.23 £'000	31.10.22 £'000
Amounts receivable for issue of shares	120	54
Sales awaiting settlement	–	207
Accrued revenue:		
Non-taxable dividends	–	14
Revenue from tax transparent funds	112	77
	112	91
Taxation recoverable:		
Income tax	2	1
Total debtors	234	353

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

10. Cash and Cash Equivalents

	31.10.23 £'000	31.10.22 £'000
Bank balances	639	9,468
Margin account	796	724
Total cash and cash equivalents	1,435	10,192

11. Creditors

	31.10.23 £'000	31.10.22 £'000
Distribution payable	292	245
Other Creditors		
Amounts payable for redemption of shares	6	40
Purchases awaiting settlement	431	–
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	24	20
AMC rebates from underlying investments	10	16
	34	36
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	3	1
Transaction charges	1	1
Safe custody and other bank charges	4	3
	8	5
Taxation payable:		
Corporation tax	101	45
Tax incurred on tax transparent funds	10	8
	111	53

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

	31.10.23 £'000	31.10.22 £'000
Other expenses	11	10
Expenses from tax transparent funds	2	1
Total other creditors	603	145

12. Related Party Transactions

The Annual Management Charge payable to Waystone Management (UK) Limited ('WMUK') ('the ACD') is disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 370 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 77,728 (31.10.22: 79,948) of the Fund's shares at the balance sheet date.

M&G Investment Management Limited and its associates (including other authorised investment funds managed by M&G Investment Management Limited) held 7,066,785 (31.10.22: 7,225,293) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Allfunds Nominee Limited	35.62% (31.10.22: 41.33%)
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As part of the investment strategy, the Fund may from time to time hold shares in other collective investment schemes managed by the same Portfolio Manager or for which WMUK is also the ACD. At the balance sheet date the value of the holdings was as follows:

	31.10.23 £'000	31.10.22 £'000
Portfolio Manager in common	25,132	9,699

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.10.22: none).

14. Shares in Issue

	A Accumulation	A Income	C Income
Annual Management Charge	0.48%	0.48%	0.00%
Opening shares in issue	118,201	25,020	7,225,543
Issues	15,778	2,166	578,652
Redemptions	(36,784)	(13,860)	(737,410)
Conversions	–	–	–
Closing shares in issue	<u>97,195</u>	<u>13,326</u>	<u>7,066,785</u>

	P Accumulation	P Income	R Accumulation
Annual Management Charge	0.23%	0.23%	0.48%
Opening shares in issue	55,750,681	1,635,782	6,061,115
Issues	12,390,869	840,291	804,874
Redemptions	(4,522,970)	(256,684)	(1,277,585)
Conversions	18,998	(21,920)	–
Closing shares in issue	<u>63,637,578</u>	<u>2,197,469</u>	<u>5,588,404</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty’s credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction’s maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were futures contracts held at the balance sheet date. Details of the individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.10.23 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(368)	–

31.10.22 Counterparty	Futures £'000	Net cash collateral pledged £'000
JPMorgan	(225)	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund’s investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes may expose the Fund to indirect interest rate risk to the extent that they may invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests mainly in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-Sterling assets, the Portfolio Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.10.23 £'000	31.10.22 £'000
Currency:		
Euros	124	465
Hong Kong dollars	42	–
Japanese yen	146	95
South African rand	2,298	328
US dollars	1,706	2,852
Total foreign currency exposure	4,316	3,740
Pounds sterling	115,161	98,369
Net assets	119,477	102,109

A 5% change in the pounds Sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £216,000 on the net assets of the Fund (31.10.22: £187,000).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31.10.23, leverage under the gross method was 0.99:1 and leverage under the commitment method was 1:1 (31.10.22: 0.90:1 and 1:1 respectively).

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile.

In assessing the liquidity of a company's shares, the ACD utilises the lower of the 5 and 20 day average market volume of that company's shares. An in depth review takes place by assessing the liquidity profile of the Fund against a 25% market participation of the average daily volume.

Based on this analysis 91.41% of the portfolio can be liquidated within 5 days and 91.97% within 21 working days (31.10.22: 91.95% within 5 days and 92.03% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is appropriate.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £5,935,000 (31.10.22: £4,598,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The economic exposure of futures derivative contracts is equal to the market value. The value of the exposure and the related counterparty are disclosed in the Portfolio of Investments.

16. Portfolio Transaction Costs

31.10.23	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	30,815	1	–	30,816
Purchases total	<u>30,815</u>	<u>1</u>	<u>–</u>	<u>30,816</u>
Transaction cost % of purchases total		–	–	
Transaction cost % of average NAV		–	–	
Ordinary shares	38	–	–	38
Collective investment schemes	<u>18,011</u>	<u>–</u>	<u>–</u>	<u>18,011</u>
Sales total	<u>18,049</u>	<u>–</u>	<u>–</u>	<u>18,049</u>
Transaction cost % of sales total		–	–	
Transaction cost % of average NAV		–	–	

Average portfolio dealing spread at 31.10.23 is 0.04% (31.10.22: 0.04%).

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

FINANCIAL STATEMENTS continued

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 October 2023

31.10.22	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	177	–	1	178
Collective investment schemes	29,572	1	1	29,574
Purchases total	29,749	1	2	29,752
Transaction cost % of purchases total		–	0.01%	
Transaction cost % of average NAV		–	–	
Ordinary shares	550	–	–	550
Collective investment schemes	32,587	(2)	–	32,585
Sales total	33,137	(2)	–	33,135
Transaction cost % of sales total		0.01%	–	
Transaction cost % of average NAV		–	–	

The collective investment schemes include closed end funds.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 October 2023

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

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

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.10.23				
Investment assets	4,134	114,941	–	119,075
Investment liabilities	(372)	–	–	(372)

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.10.22				
Investment assets	2,142	90,039	–	92,181
Investment liabilities	(227)	–	–	(227)

18. Subsequent Events

As at 22 February 2024, the price of the Fund's share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	22.02.24	Movement
A Accumulation	152.50	165.05	8.23%
A Income	135.55	143.27	5.70%
C Income	111.96	118.01	5.40%
P Accumulation	157.27	170.32	8.30%
P Income	136.30	143.85	5.54%
R Accumulation	154.56	167.28	8.23%

The increase in the prices is primarily due to favourable market conditions. These accounts were approved on 29 February 2024.

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5

FINANCIAL STATEMENTS continued

DISTRIBUTION TABLE

for the year ended 31 October 2023 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.11.22
To	31.10.23

A ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.5684	–	3.5684	2.9913
Group 2	2.3866	1.1818	3.5684	2.9913

A INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.1695	–	3.1695	2.7335
Group 2	2.0233	1.1462	3.1695	2.7335

C INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.0545	–	3.0545	2.6940
Group 2	2.5231	0.5314	3.0545	2.6940

P ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.9979	–	3.9979	3.4043
Group 2	2.3136	1.6843	3.9979	3.4043

WS PRUDENTIAL RISK MANAGED PASSIVE FUND 5
FINANCIAL STATEMENTS continued
DISTRIBUTION TABLE continued

P INCOME SHARES

Final	Net Revenue	Equalisation	Payable 31.12.23	Paid 31.12.22
Group 1	3.4641	–	3.4641	3.0192
Group 2	2.0713	1.3928	3.4641	3.0192

R ACCUMULATION SHARES

Final	Net Revenue	Equalisation	Allocation 31.12.23	Allocated 31.12.22
Group 1	3.6160	–	3.6160	3.0383
Group 2	2.4684	1.1476	3.6160	3.0383

GENERAL INFORMATION

Share Capital

The minimum share capital of the Company is £100 and the maximum is £250,000,000,000.

Structure of the Company

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The sub-funds which are currently available are:

- WS Prudential Risk Managed Active 1
- WS Prudential Risk Managed Active 2
- WS Prudential Risk Managed Active 3
- WS Prudential Risk Managed Active 4
- WS Prudential Risk Managed Active 5
- WS Prudential Risk Managed Passive Fund 1
- WS Prudential Risk Managed Passive Fund 2
- WS Prudential Risk Managed Passive Fund 3
- WS Prudential Risk Managed Passive Fund 4
- WS Prudential Risk Managed Passive Fund 5

In the future there may be other sub-funds of the Company.

Classes of Shares

The Instrument of Incorporation allows income and accumulation shares to be issued.

Holders of income shares are entitled to be paid the distributable income attributed to such shares on any relevant interim and annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant sub-fund on the relevant annual accounting dates. This is reflected in the price of an accumulation share.

Valuation Point

The current valuation point of each of the Company's sub-funds is 12.00 noon (London time) on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

GENERAL INFORMATION continued

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 384, Darlington DL1 9RZ or by telephone on 0344 335 8936.

Prices

The prices of all shares are published on every dealing day on the website of the ACD: www.waystone.com. The prices of shares may also be obtained by calling 0344 335 8936 during the ACD's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Documents and the most recent interim and annual reports may be inspected at, and obtained from, the ACD at 2nd floor, 20-22 Bedford Row, Holborn, London WC1R 4EB during normal business hours on any Business Day, in addition to being available at www.waystone.com.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Information about the Financial Ombudsman can be found on its website at www.financial-ombudsman.org.uk.

Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

Waystone

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