

1 April 2023 to 31 March 2024



M&G Investment funds
Annual Value
Assessment Report

How to use this report

For the best experience, we recommend using a PDF-specific reader to view this report (as some of the interactive functions may not work correctly on your mobile phone or tablet). Our recommendation is to use Adobe Acrobat Reader, which can be downloaded for free online for usage on desktops and laptops.

The side button arrows   that are on the left and right hand side of each page can be used to navigate forwards and backwards between pages.

Whilst navigating the document, you can return to the contents section at the bottom of this page anytime, by clicking the [CLICK HERE Contents page](#) on the top-right of every page that follows.

To go directly to a section, click on one of the 8 [CLICK HERE](#) buttons at the bottom of this page.

Our analysis for each fund is listed in alphabetical order in the 'Overall fund ratings' section and can be accessed by clicking on each of the two [CLICK HERE](#) buttons, which appear to the right of each fund name.



After viewing a fund page overview, click the  button on the top-right to close that page to return to the overall fund rating section.

This report reflects our assessment of value delivered to investors in M&G's wide range of funds over the assessment period 1 April 2023 – 31 March 2024.

It is important to note that every M&G fund typically has several share classes, each offering different levels of service to different groups of investors. Since we have assessed value by the share class of each fund, this report will be much more useful if you know which share class(es) you hold.

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How we assess value

What you need to know

When it comes to this Value Assessment, there are two important pieces of information to know:

1. **Your fund name**
eg 'M&G Charibond Charities Fixed Interest Fund'
2. **Your share class**
this is a letter, such as 'A', 'I', 'R', etc

Our assessment for each fund and its associated share class captures 'accumulation' (Acc) or 'income' (Inc) units so you will not need this information.

A summary for each M&G share class – including who generally invests in them and the services they receive can be found in the summary section of this report.

[CLICK HERE](#) **Summary section**

How to check your M&G holdings

- If you invest directly through our online-based service, myM&G, you can log in to find details of your holdings.
- If you invest directly with M&G using our postal or phone-based service, or have invested through an adviser, details of your holdings will be on your latest half-yearly statement. If you can't find this paperwork, please give us a call and we will be happy to help.
- If you invest in M&G funds through an online platform, you should be able to find details of your holdings on your online account.

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

Please note that the latest information on fund performance is available on the M&G website, [click here](#).

Methodology

Our own detailed methodology for each of the seven criteria as laid out by the FCA is across each of our funds and their associated share classes. The assessment is based on objective and rigorous analysis of what we consider to be the most relevant metrics of value. The rating or 'scores' awarded for each of the seven criteria determine an overall rating for that respective share class of a fund. The criteria do not carry equal importance. We have attached greater weighting to fund performance and, to a lesser extent, quality of services, based on what investors have told us they consider most important in customer testing and surveys. The other five criteria are given equal weighting in our assessment.

Our commitment to you in ensuring that our approach and process undertaken is thorough and robust is at the essence of this Value Assessment report. We have closely adhered to the FCA's rules and guidance in order to work in your best interests and have outlined our approach to independently evaluate each of the seven criteria that comprise our Value Assessment below using data as at 31 March 2024.

We have actively developed and refined our methodology process over the past few years using various data sources to evidence and reach our conclusions. This Value Assessment report has awarded a 'score' or rating for each fund against specific measures reviewed, and then assessed from a holistic viewpoint to produce an overall rating for the fund. This process is detailed on the pages to follow.

FCA Criteria

1. Quality of services

We continue to evaluate the quality of each service delivered to M&G investors, including the series of areas below that are delivered to different investor groups. These are broadly grouped as follows:



- **Investment services and framework**
These include investment capability, strategy, decision making, trading and stewardship.
- **Fund and asset servicing**
These are our middle office and back office functions and services which are vital to the effective running of our funds. This includes pricing, audit, operational risk, oversight, custody and reporting.
- **Authorised Corporate Director**
The Board of MGSL is responsible for ensuring funds are run in the best interests of investors.

- **Brand**
The integrity and strength of the M&G brand, as valued by investors.
- **Client services**
The investors' experience and those services that are directly provided to investors, such as the online, phone and postal services used by M&G's direct customers and the support we provide to professional investors.

We appraise value according to key performance indicators that have been set for each sub-service delivered by M&G. These make use of external referencing, where possible. By mapping our ratings or 'scores' for each sub-service to the relevant share classes, we assess quality of service by share class.

2. Investment performance



We measure investment performance against all the stated objectives of a fund, and against its benchmark, to evaluate whether value has been delivered over an appropriate time period. Where funds also have non-financial objectives, or are managed in line with sustainability-related considerations, we also evaluate whether these have been achieved and analyse various other measures within their investment policy and strategy. Since the investment returns delivered by a fund vary by share class, because each carries its own level of charges, we analyse investment performance by share class.

To assess the investment performance of each fund and share class, we took each of the following into account:

- We compare the investment outcomes of each share class, net of charges where relevant, against the financial performance objectives stated in the fund's prospectus and against the fund's performance comparator.
- Where relevant, we evaluate whether funds have also achieved their non-financial objectives, or have been managed in line with sustainability theme considerations that are defined in their investment policy or approach.
- We assess whether the fund and share class is appropriately structured to meet its investment objectives in future.
- We assess the extent to which our charges affect the returns that investors have achieved, or might achieve.
- We further assess the investment outcomes of each share class, net of charges where relevant, at regular intervals over the last 10 years (or since the fund's inception, if more recent). Broadly speaking, a 'satisfactory' rating means a fund's share class has met its objective or performed in line with its benchmark over the longer term,

within a given tolerance. Where a fund's share class has met its objective and outperformed its benchmark, we award a 'good' rating. Where a fund, in addition to this, has delivered a longer track record of outperformance for its investors, we rate a share class as 'outstanding'. Where a share class has underperformed its benchmark, but we believe is appropriately structured to meet its objectives going forward, performance will be rated as 'must improve'.

Persistently failing to meet objectives over the longer term will result in a share class being rated 'unsatisfactory' if a fund is deemed to not be appropriately structured to meet its investment objectives in the future. Where funds have hedged share classes, their returns can differ quite markedly (positively or negatively) from their unhedged counterparts. This can be due to the effects of successful currency hedging, not necessarily fund performance. The performance ratings awarded to hedged share classes therefore reflect those of their unhedged counterparts, except where they have a different benchmark. For funds that also have non-financial objectives, or are managed in line with sustainability-themed considerations, we separately commented on whether value has been delivered against those, in our opinion, under 'Focus on Sustainability'. Where we believe funds have demonstrated that they have met their respective impact or sustainability-related objectives, or that their investment decisions have been driven by relevant considerations, we rate those funds as 'good'. Where they have not demonstrated this, they are rated as 'must improve'.

3. Costs of the Authorised Fund Manager (AFM)



We assess the costs of the AFM, who is responsible for the overall management of M&G funds, by evaluating the total costs of running each fund in relation to the average total costs of running similar funds within M&G's fund range. We look at the breakdown of our fund charges and also consider costs in relation to the charges paid by investors – M&G's profit margin – to help evaluate whether charges are proportional to the costs of running a fund.

The fund-by-fund assessment evaluates the total costs of running each fund in relation to the average total costs of running similar funds within M&G's UK-based fund range. We also consider costs that are shared by all M&G funds in relation to the overall charges paid by investors – taking a holistic view across the M&G fund range – to help evaluate whether charges are proportional to the costs of running a fund. All of a fund's share classes will have the same rating.

Where the total costs of running a fund are in line with those of comparable M&G funds, we rate that fund as 'satisfactory'. Where they are lower, we rate that fund as 'good'. And where they are materially higher, we rate it as 'must improve'.

4. Economies of scale



We consider economies of scale are being shared with our investors and assess the extent to which any savings arising from the scale of a fund are reflected in value for our investors. At M&G, cost savings can come in two forms. Firstly, by outsourcing certain services to specialist third parties that provide services to the fund management industry. Secondly, when a fund's assets under management grow above a certain size, it makes them more cost effective to run. M&G applies a discount to a fund's annual charge when its assets under management exceed £1 billion. Our analysis of economies of scale goes further and checks whether M&G's formal economies of scale mechanism is competitive within the wider marketplace to assess the extent to which value is being provided to you.

In the last few years, M&G has shared cost savings with all investors by applying discounts to the annual charges of funds whose assets under management are above a certain size where M&G considers there are material savings to pass on. Our analysis not only considers whether a fund achieves economies of scale but also whether M&G's formal economies of scale mechanism is competitive within the marketplace.

The Board notes the work across various business areas across M&G, in particular Finance, in challenging the existing methodology to prove it provides value for money for all investors.

5. Comparable market rates



We compare the charges for each of our funds to those of their competitors, to ascertain whether relative value is being offered to our investors. Each share class offers different levels of service and carries a different charge. For each, we first analyse charges for the fund's 'primary' share class against the charges of competitor funds in the market. We then compare for share classes that receive an additional service from M&G and assess the charges that are effectively paid for them – in the form of higher annual charges – against those of competitors.

For each fund in this report, we have visually compared the annual charge of the fund's 'primary' share class against the median average of its competitors (ie the peer group that the fund is part of). This peer group is often an independent fund's sector, as classified by Morningstar or the Investment Association (IA).

Where the sector is deemed insufficient, a custom peer group has been used that we believe best reflects the characteristics of the fund in question. The share class used for comparison is typically the 'sterling I' share class, since this is the one usually available through third party distributors of our UK-based funds.

For each share class of each fund, we have evaluated our charges to those of similar fund offerings in the market. We first compare the charges for each of our funds to those of other funds in their peer group. This is often the fund's sector, as classified by Morningstar or the IA. Where the sector is deemed insufficient, a custom peer group has been used that we believe best reflects the characteristics of the fund in question. We look at funds' annual charges, inclusive of any discount based on economies of scale, and excluding transaction and extraordinary costs. Since we believe passively managed funds (ie those funds whose objective is to track an index) are not comparable to actively managed funds, we only compare the charges of our actively managed funds with those of other actively managed funds, and vice versa.

If a fund's annual charge is lower than most comparable funds, we rate its primary share class as 'good'. This year the Board reviewed the methodology used in previous years' ratings where the cheapest decile was rated as 'outstanding'. To ensure consistency, we have taken steps to improve the methodology by ranking the bottom decile as 'must improve'. If a fund's annual charges are more or less in line with the median average of its peer group, it will be rated as 'satisfactory'. For those investor groups (and therefore share classes) who use phone and postal services or web-based services, we compare our charges to other fund managers, or platform providers, that offer similar services. Again, if the effective cost we charge for a given service is cheaper than most of our competitors, we will award a rating of 'good' or better. Conversely, if a service is more expensive, we rate it as 'must improve'. For share classes that effectively include a price for the client services also provided by M&G, on top of investment management, we then combine these two ratings to arrive at an overall assessment for each share class of a fund.

6. Comparable M&G services



We compare the charges for each of our funds managed by M&G to those of similar funds and institutional mandates, to ascertain whether relative value is being offered to investors. M&G provides investment management services to a large range of customers who pay different charges, but receive different services in return. No investor should be paying materially more than others to access a very similar product.

7. Share classes

We analyse who invests in the share classes of each fund, as different share classes cater for different customer needs, and evaluate whether our investors are in the most appropriate share class they are eligible for. Each share class offers different levels of service and carries a different charge. Where investors are paying higher charges to invest in the same fund, the level of charges should appropriately reflect the services delivered and the costs of providing them. We independently assess the costs and points of differentiation between the individual share classes in each fund to analyse whether these are justified.



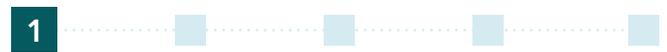
To reflect the different characteristics of each of the criteria, and the different metrics of value, we have developed an in-house set of rules that allows us to translate our assessment into a relative rating on a five-point scale.

Our value rating scale

Throughout this report, we have summarised our conclusions according to the following five-point scale. This reflects an underlying score that has been awarded to each share class for each of the criteria. These are combined to create an overall rating for each share class of a fund.

Outstanding

Where a fund has delivered exceptional value to its investors.



Good

Where a fund has delivered above-average value to its investors.



Satisfactory

Where a fund has delivered value to its investors overall, with only minor exceptions if any.



Must improve

Where a fund has not delivered value to all of its investors, falling short of expectations in certain areas, and where the Board is paying close scrutiny.



Unsatisfactory

Where a fund has not delivered value to all of its investors, and where the Board has determined that steps must be taken by M&G to improve value.



Key definitions

Accumulation shares A type of share where distributions are automatically reinvested and reflected in the value of the shares.

Active management An approach to investing whereby capital is allocated according to the judgement of the investor or fund manager(s). The active investor aims to beat the returns from the stock market or specified index/sector, rather than to match them.

Asset Anything having commercial or exchange value that is owned by a business, institution or individual.

Asset allocation Apportioning a portfolio's assets according to risk tolerance and investment goals.

Asset class Category of assets, such as cash, company shares, fixed income securities and their sub-categories, as well as tangible assets such as real estate.

Bond A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

Bottom-up selection Selecting stocks based on the attractiveness of a company.

Capital at risk The risk an investor faces that he or she may lose all or part of the assets invested.

Capital growth Occurs when the current value of an investment is greater than the initial amount invested.

Capital return The term for the gain or loss derived from an investment over a particular period. Capital return includes capital gain or loss only and excludes income (in the form of interest or dividend payments).

Comparative sector A group of funds with similar investment objectives and/or types of investment, as classified by bodies such as the Investment Association (IA) or Morningstar. Sector definitions are mostly based on the main assets a fund should invest in, and may also have a geographic focus. Sectors can be the basis for comparing the different characteristics of similar funds, such as their performance or charging structure.

Convertible bonds Fixed income securities that can be exchanged for predetermined amounts of company shares at certain times during their life.

Corporate bonds Fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky.

Credit The borrowing capacity of an individual, company or government. More narrowly, the term is often used as a synonym for fixed income securities issued by companies.

Credit rating An independent assessment of a borrower's ability to repay its debts. A high rating indicates that the credit rating agency considers the issuer to be at low risk of default; likewise, a low rating indicates high risk of default. Standard & Poor's, Fitch and Moody's are the three most prominent credit rating agencies. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Default When a borrower does not maintain interest payments or repay the amount borrowed when due.

Derivatives Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded over the counter.

Distribution Distributions represent a share in the net income of the fund and are paid out to income shareholders or reinvested for accumulation shareholders at set times of the year (monthly, quarterly, half-yearly or annually). They may either be in the form of interest distributions or dividend distributions.

Diversification The practice of investing in a variety of assets. This is a risk management technique where, in a well diversified portfolio, any loss from an individual holding should be offset by gains in other holdings, thereby lessening the impact on the overall portfolio.

Dividend Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

Duration A measure of the sensitivity of a fixed income security, also called a bond, or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

Emerging market Economies in the process of rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.

Equities Shares of ownership in a company.

ESG investing A variety of investment approaches that incorporates environmental, social and governance factors into the investment process.

Exposure The proportion of a fund invested in a particular share/fixed income security, sector/region, usually expressed as a percentage of the overall portfolio.

Fixed income security A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid. Also referred to as a bond.

Fundamentals (economic) A basic principle, rule, law, or the like, that serves as the groundwork of a system. Economic fundamentals are factors such as inflation, employment, economic growth.

Government bonds Fixed income securities issued by governments, that normally pay a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.

Hedging A method of reducing unnecessary or unintended risk.

High yield bonds Fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better quality, ie higher-rated fixed income securities but have the potential for higher rewards. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Impact investing An investment philosophy which supports companies that are working to provide significant societal or environmental benefit, in addition to generating a financial return.

Income shares A type of share where distributions are paid out as cash on the payment date.

Index An index represents a particular market or a portion of it, serving as a performance indicator for that market.

Inflation The rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier.

Interest rate risk The risk that a fixed income investment will lose value if interest rates rise.

Investment grade bonds Fixed income securities issued by a company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk from default than those issued by companies with lower credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Leverage When referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to a fund that borrows money or uses derivatives to magnify an investment position.

Macroeconomic Refers to the performance and behaviour of an economy at the regional or national level. Macroeconomic factors such as economic output, unemployment, inflation and investment are key indicators of economic performance. Sometimes abbreviated to 'macro'.

Maturity The length of time until the initial investment amount of a fixed income security is due to be repaid to the holder of the security.

Monetary policy A central bank's regulation of money in circulation and interest rates.

Ongoing Charging Figure The OCF covers all the fees incurred for operating a fund throughout its financial year. These include the annual charge for managing the fund, legal fees, administration and various other services, such as depository, trustee, custody and audit.

Risk The chance that an investment's return will be different to what is expected. Risk includes the possibility of losing some or all of the original investment.

Security Financial term for a paper asset – usually a share in a company or a fixed income security also known as a bond.

Share class Each M&G fund has different share classes, such as 'A', 'R' and 'I'. Each has a different level of charges and minimum investment. Details on charges and minimum investments can be found in the Important Information for Investors document and/or the Key Investor Information Documents.

Sustainable Development Goals (SDGs) A United Nations sponsored set of goals, targets and indicators covering a range of sustainable development issues that UN member states are expected to use to frame their agendas to 2030.

Sustainable investing Sustainable investing involves making investment decisions incorporating Environmental, Social and Governance (ESG) factors whilst trying to have a positive effect, or reduce negative effects, on the environment and society through active ownership and/or portfolio construction.

Total return The term for the gain or loss derived from an investment over a particular period. Total return includes income (in the form of interest or dividend payments) and capital gains.

Valuation The worth of an asset or company based on its current price.

Volatility The degree to which a given security, fund or index rapidly changes. It is calculated as the degree of deviation from the norm for that type of investment over a given time period. The higher the volatility, the riskier the security tends to be.

Yield This refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

A summary of M&G fund share classes

What is a share class?

A share class is a type of fund shares held by investors in a fund. Share classes differ by levels of charge and/or by other features, for example hedging against currency risk. Each M&G fund has different share classes, such as A, R and I, and each share class has a different level of charges and minimum investment. For the majority of M&G funds, investors can choose between the following share classes:

- Sterling class A shares
- Sterling class I shares
- Sterling class R shares

Each share class has been designed with different investment needs in mind. For your information and to provide further context for our Value Assessment, we have created a summary below of all our classes and explained who typically invests in them.

Share class	
<p>The 'A' class is predominantly held by:</p> <ul style="list-style-type: none"> • individuals who invest directly with M&G and administer their own investments by phone and post • individuals who invest through a financial adviser, to whom a commission will have been paid • minimum investment level (lump sum): £500. 	<p>The 'R' share class is predominantly held by:</p> <ul style="list-style-type: none"> • individuals who invest through a financial adviser, to whom no commission will be paid, and who typically paid a fee for financial advice • minimum investment level (lump sum): £500 • individuals who invest directly through M&G's online-based service, myM&G, and whose investments on myM&G have an overall value of less than £250,000.
<p>The 'I' share class is predominantly held by:</p> <ul style="list-style-type: none"> • investors who invest through a platform or a financial adviser, who will normally charge fees for their services that are in addition to the fund's charges • individuals who invest directly through M&G's online-based service, myM&G, and whose investments on myM&G have an overall value of at least £250,000 • individuals who invest directly with M&G and administer their own investments by phone and post, and whose investment in a given fund is £500,000 or more. 	<p>The 'PP' share class is predominantly held by:</p> <ul style="list-style-type: none"> • professional investors who invest through the M&G Wealth platform • UK Wealth managers.
<p>Hedged share classes are indicated by the '-H' suffix. This means the effects of movements between a fund's base currency and the currency of the hedged share class are mitigated, reducing investors' exposure to currency fluctuations.</p>	<p>Non-sterling share classes are those denominated in either Euros or US Dollars (USD):</p> <ul style="list-style-type: none"> • 'Euro A' / 'USD A' shares are distributed to investors through European distributors. Rebates are paid by M&G to the distributor. Charges are the same or higher than the sterling 'A' shares for any given fund • 'Euro C' / 'USD C' shares are distributed to investors through European distributors. No rebates are paid by M&G to the distributor.

Action to improve value during 2023-2024

In the 2023 assessment we identified certain issues where we found value could be improved, which undermined the overall value delivered to you in some funds. We highlight below the steps taken to resolve these issues.

The issues last year	Our action since the last Value Assessment
<p>M&G Recovery Fund Criteria 2. Investment performance The fund had consistently fallen short of its performance target.</p>	<p>Last year, the fund failed to meet its performance objective and was rated as 'unsatisfactory'. The Board scrutinised a comprehensive review of the fund with the Chief Investment Officer of Equities, Multi Asset and Sustainability, observing the positive impact of changes made to the portfolio construction and risk management over recent times. As a result, the Board have decided to record a 'must improve' rating for all share classes in the fund this year. We wrote to customers in May 2024 regarding changes to the fund to give the manager more flexibility in picking stocks. We, the Board, continue to monitor progress, particularly in relation to performance, with the Chief Investment Officer of Equities, Multi Asset and Sustainability.</p>
<p>MyM&G Criteria 1. Quality of services The service did not fully meet its client servicing target.</p>	<p>M&G's online-based service, myM&G, was rated as 'must improve' last year following an increase in customer complaint resolution times. Despite improvements to the platform, myM&G has been rated as 'must improve' again under the 'quality of services' criterion this year. This is primarily due to the difficulty of driving changes with the supplier to the platform. The Board has raised these concerns to the business and is closely following the remedial actions that are being taken.</p>



Summary of findings

The value assessment covers the 12 months up to 31 March 2024. After careful consideration of all seven criteria we believe that most M&G funds have delivered at least satisfactory value in this period. A fund is regarded as offering value where the overall rating is either satisfactory, good or outstanding.

We, the Board, are pleased to report that over 90% of funds by assets under management (AUM) remain rated as satisfactory or above.

Investment performance

The market environment of interest rate rises and geopolitical and economic uncertainty during the review period has continued, but we saw notable improvements in several funds' performance, in particular the M&G Global Convertibles Fund, the M&G Episode Growth Fund and the M&G Managed Growth Fund. Furthermore, the M&G Japan Smaller Companies Fund and M&G Optimal Income Fund continue to deliver value to investors, in relation to their performance. We are however aware that some of the funds still have challenges with investment performance such as the M&G North American Value Fund and the M&G Global Dividend Fund. However, after a comprehensive review of such underperforming funds, the Board and Investment teams remain confident that the funds' investment process has the ability to deliver on their investment objectives.

As part of the Board's ongoing commitment to investors, we review independent and external evidence as part of our wider Assessment of value. We note that at the Investment Week Fund Manager of the Year Awards 2024, M&G Investments was judged 'Group of the Year' for the second year running. The M&G Japan Fund won the 'Japan Equities Fund Award' and a number of funds, including the M&G Emerging Markets Bond Fund, M&G Optimal Income Fund and the M&G Short Dated Corporate Bond Fund, were highly commended.

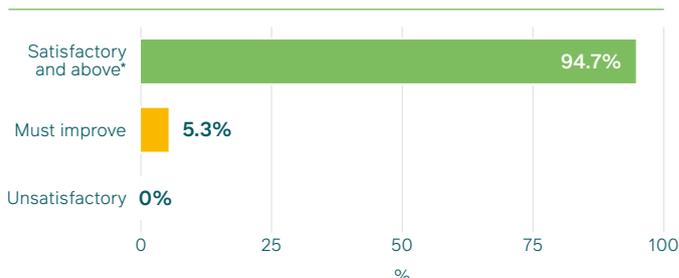
Actions for future focus

In 2023, the Board noted issues were identified with the online service myM&G. We are disappointed that all the issues with the platform are not solved, but we will continue to monitor progress to build on the improvements made.

We are pleased to report the M&G Recovery Fund is not rated as unsatisfactory this year. The fund manager and investment team have made changes to the portfolio construction over recent times which have led to improvements in the fund performance during the review period.

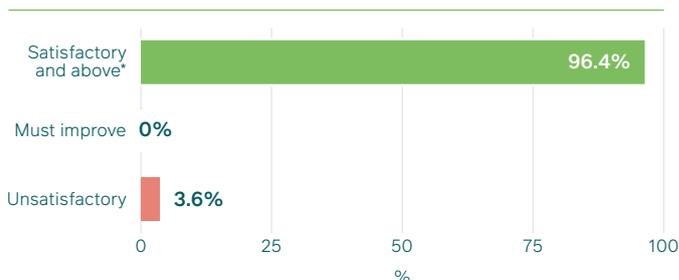
Overall fund ratings 2024

By total assets under management (£), by share class



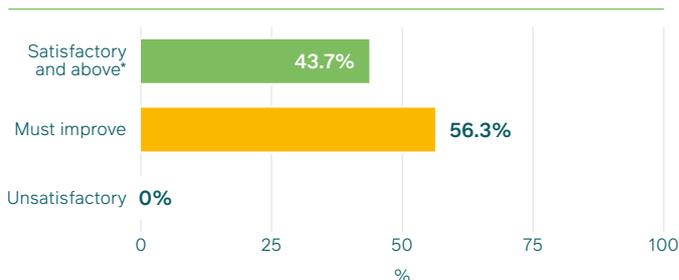
Overall fund ratings 2023

By total assets under management (£), by share class



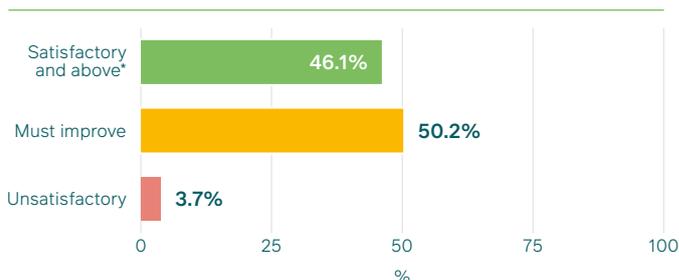
Investment performance ratings 2024

By total assets under management (£), by share class, excluding those of new funds where no rating has been made



Investment performance ratings 2023

By total assets under management (£), by share class, excluding those of new funds where no rating has been made



*Where a fund's share classes have an overall value rating of 'satisfactory', 'good' or 'outstanding'.

Furthermore, the Board notes that Analogue Services, under the 'quality of services' criterion, was rated as 'must improve' during the review period due to longer than expected customer complaint resolution times in the M&G call centre. The Board will continue to monitor the actions taken by the business for improved outcomes for investors. We look forward to reporting on the improvements that have been made in the next assessment.

Changes since last year's report

In the review period, M&G launched two funds: The M&G Global Corporate Bond Fund and the M&G Global AI Themes Fund.

Several funds closed during the review period including the M&G Property Portfolio, the M&G European Corporate Bond Fund, the M&G Emerging Markets Monthly Income Fund, the M&G European Index Tracker Fund, the M&G Absolute Return Bond Fund and the M&G Global Enhanced Equity Premia Fund. These have not been included in this year's report.

We also note several fund benchmark changes during the review period where details can be found in the 'fund benchmarks' section in the report.

Incorporation of Environmental, Social and Governance (ESG) factors into investing

ESG is a growing fundamental part of our business and we continue to build on our in-house Sustainability team recognising that sustainability is central to how we manage investor funds.

The Sustainability Disclosure Requirements (SDR) were published by the Financial Conduct Authority (FCA) in November 2023 with an update on SDR and Investment Labels (PS23/16). These new regulations apply to all investment products with sustainable characteristics aiming for greater ease and understanding by introducing greater transparency, accountability and comparability. Any changes due to SDR will be reflected in the 2025 Assessment.

For the current report, the non-financial objectives have been reviewed by the Board. They are scored with input from Investment Management and Investment Risk. These scores come under performance and are included under 'Focus on Sustainability'.



Overall fund ratings

Summary of value by fund

Fund name	Fund page 1	Fund page 2	A	R	I	PP
M&G Asian Fund	CLICK HERE	CLICK HERE	3	3	3	2
M&G Better Health Solutions Fund	CLICK HERE	CLICK HERE	2	2	2	2
M&G Charibond Charities Fixed Interest Fund (Charibond)*	CLICK HERE	CLICK HERE				
M&G Charity Multi Asset Fund*	CLICK HERE	CLICK HERE				
M&G Climate Solutions Fund	CLICK HERE	CLICK HERE	3	3	2	2
M&G Corporate Bond Fund	CLICK HERE	CLICK HERE	3	3	2	2
M&G Dividend Fund	CLICK HERE	CLICK HERE	3	3	3	
M&G Emerging Markets Bond Fund	CLICK HERE	CLICK HERE	2	2	2	1
M&G Episode Allocation Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Episode Growth Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Episode Income Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Equities Investment Fund for Charities (Charifund)*	CLICK HERE	CLICK HERE				
M&G European Sustain Paris Aligned Fund	CLICK HERE	CLICK HERE	2	2	2	2
M&G Gilt & Fixed Interest Income Fund	CLICK HERE	CLICK HERE	3		3	2
M&G Global AI Themes Fund	CLICK HERE	CLICK HERE	2	2	2	
M&G Global Convertibles Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Global Corporate Bond Fund	CLICK HERE	CLICK HERE	3	3	3	2
M&G Global Dividend Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Global Emerging Markets Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Global Floating Rate High Yield Fund**	CLICK HERE	CLICK HERE				
M&G Global Government Bond Fund	CLICK HERE	CLICK HERE	3	2	2	
M&G Global High Yield Bond Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Global Listed Infrastructure Fund	CLICK HERE	CLICK HERE	3		3	3
M&G Global Macro Bond Fund	CLICK HERE	CLICK HERE	2	2	2	2
M&G Global Strategic Value Fund	CLICK HERE	CLICK HERE	3	3	3	

In this summary we have only included the overall value ratings for the most common sterling share classes in our funds.

Please note that these overall ratings are to be understood alongside, not instead of, the ratings awarded to each of a fund's share classes by criteria.

Please click through to our assessment of a fund (by clicking on the fund name or page number) for details of all share classes, including non-sterling ones.

For certain funds, the ratings shown in this table are for different share classes to those indicated. These are highlighted in the table as follows:

*These funds only have one share class, 'sterling', whose overall rating is presented under 'A' in this table.

**These funds only have hedged share classes. Their overall ratings are presented under their corresponding share class letter in this table, eg 'A-H' is presented as 'A', etc.

Remember, different share classes carry different charges, meaning investment returns will be higher on share classes with lower annual charges. The share class you hold will depend on how you invest with M&G.

Key

1 Outstanding
 2 Good
 3 Satisfactory
 4 Must improve
 5 Unsatisfactory
 Not applicable

Fund name	Fund page 1	Fund page 2	A	R	I	PP
M&G Global Sustain Paris Aligned Fund	CLICK HERE	CLICK HERE	3	3	3	2
M&G Global Target Return Fund	CLICK HERE	CLICK HERE	3		3	3
M&G Global Themes Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Index-Linked Bond Fund	CLICK HERE	CLICK HERE	3		3	2
M&G Index Tracker Fund	CLICK HERE	CLICK HERE	3	2	2	
M&G Japan Fund	CLICK HERE	CLICK HERE	2	2	2	2
M&G Japan Smaller Companies Fund	CLICK HERE	CLICK HERE	2	2	1	2
M&G Managed Growth Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G North American Dividend Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G North American Value Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Optimal Income Fund	CLICK HERE	CLICK HERE	3	2	2	2
M&G Positive Impact Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Recovery Fund	CLICK HERE	CLICK HERE	4	4	4	4
M&G Short Dated Corporate Bond Fund	CLICK HERE	CLICK HERE	2		2	2
M&G Smaller Companies Fund	CLICK HERE	CLICK HERE	3	3	3	
M&G Strategic Corporate Bond Fund	CLICK HERE	CLICK HERE	3	3	2	2
M&G Sustainable Global Corporate Bond Fund	CLICK HERE	CLICK HERE	3	3	3	2
M&G Sustainable Global High Yield Bond Fund**	CLICK HERE	CLICK HERE				
M&G Sustainable Multi Asset Balanced Fund	CLICK HERE	CLICK HERE	2	2	2	2
M&G Sustainable Multi Asset Cautious Fund	CLICK HERE	CLICK HERE	2	2	2	2
M&G Sustainable Multi Asset Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G Sustainable Multi Asset Growth Fund	CLICK HERE	CLICK HERE	2	2	2	2
M&G UK Income Distribution Fund	CLICK HERE	CLICK HERE	3	3	3	
M&G UK Inflation Linked Corporate Bond Fund	CLICK HERE	CLICK HERE	3	3	3	3
M&G UK Sustain Paris Aligned Fund	CLICK HERE	CLICK HERE	3	3	3	2

In this summary we have only included the overall value ratings for the most common sterling share classes in our funds.

Please note that these overall ratings are to be understood alongside, not instead of, the ratings awarded to each of a fund's share classes by criteria.

Please click through to our assessment of a fund (by clicking on the fund name or page number) for details of all share classes, including non-sterling ones.

For certain funds, the ratings shown in this table are for different share classes to those indicated. These are highlighted in the table as follows:

*These funds only have one share class, 'sterling', whose overall rating is presented under 'A' in this table.

**These funds only have hedged share classes. Their overall ratings are presented under their corresponding share class letter in this table, eg 'A-H' is presented as 'A', etc.

Remember, different share classes carry different charges, meaning investment returns will be higher on share classes with lower annual charges. The share class you hold will depend on how you invest with M&G.

Key

1 Outstanding 2 Good 3 Satisfactory 4 Must improve 5 Unsatisfactory □ Not applicable

Introducing the Board

The Board statement

The Board of M&G Securities Limited (MGSL) is pleased to publish its 2024 annual assessment of the value provided to investors in each of MGSL's UK-based funds (hereafter M&G funds). The purpose of this report is to show the value that has been delivered against a defined set of criteria including: fair pricing for our fund offering, the quality-of-service investors receive, as well as long-term investment performance.

During the period under review the FCA issued their guidance on Consumer Duty which was effective from July 2023. Under the Duty, firms must act to deliver good outcomes for retail customers and aim to address issues that risk causing foreseeable consumer harm. The Board has given attention to Consumer Duty and believes that the ongoing focus on good customer outcomes will enhance the value provided to investors.

Our commitment to delivering value

In response to investor feedback we have designed a new condensed report format, which we hope provides greater clarity and accessibility for our investors navigating around the report.

The Board is pleased to say that the business has made progress on the issues that were highlighted in last year's report. We report on the action taken to resolve issues identified in the 2023 report in the subsequent pages.

The Board hopes this report provides investors with a clear insight into the service they receive and the value in the funds provided by M&G. We welcome any suggestions and feedback on this report.

The Board



Laurence Mumford
Chairman of M&G Securities Limited (MGSL)

Board member since 2004
30 years' industry experience



Sean Fitzgerald
Chief Financial Officer at M&G Investments

MGSL board member since 2020
30 years' industry experience



Neal Brooks
Global Head of Product & Distribution at M&G Investments

MGSL board member since 2021
28 years' industry experience



Phil Jelfs
Global Head of Product, Asset Management at M&G Investments

MGSL board member since 2013
24 years' industry experience



Carolan Dobson
Independent non-executive director of MGSL

MGSL board member since 2018
30 years' industry experience



Michelle McGrade
Independent non-executive director of MGSL

MGSL board member since 2018
37 years' industry experience

Fund benchmarks

M&G Asian Fund

Benchmark: MSCI AC Asia Pacific (ex Japan) Index

With effect from 1 July 2011 the benchmark is now the MSCI AC Asia Pacific (ex Japan) Index.

Prior to 1 July 2011 the benchmark was the MSCI AC Far East (ex Japan) Index.

The fund initially launched on 14 September 1973 and re-launched on 16 August 1996. On this date, the fund name and objective changed.

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

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

Benchmark returns stated in share class currency.

M&G Better Health Solutions Fund

Benchmark: MSCI World Index (Gross)

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

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

The benchmark is shown in sterling.

M&G Charibond Charities Fixed Interest Fund (Charibond)

Benchmark: A composite index comprising: 50% of the ICE BoAML 1-15 Gilt Index; 50% of the ICE BoAML 1-15 Non-Gilt Index

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

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

Benchmark returns stated in share class currency.

M&G Charity Multi Asset Fund

Benchmark: A composite index comprising: 45% FTSE All-Share Index; 30% MSCI ACWI (ex UK) Index; 12.5% ICE BoAML 1-15 Gilt Index; 12.5% ICE BoAML 1-15 Non-Gilt Index

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

The fund is actively managed. The fund manager has freedom in choosing which assets to buy, hold and sell in the fund within the constraints set by the objective and investment policy. The fund's holdings may deviate significantly from the benchmark's constituents.

Benchmark returns stated in share class currency.

M&G Climate Solutions Fund

Benchmark: MSCI World Index (Gross)

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

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

The benchmark is shown in sterling.

M&G Corporate Bond Fund

Benchmark: iBoxx Sterling Corporates GBP Index

Prior to 6 March 2023 the benchmark was (IA) Sterling Corporate Bond Sector Average.

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

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

Benchmark returns stated in share class currency.

M&G Dividend Fund

Benchmark: FTSE All-Share Index

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

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

Benchmark returns stated in share class currency.

M&G Emerging Markets Bond Fund

Benchmark: A composite index comprising:

- 1/3 JPM EMBI Global Diversified Index;
- 1/3 JPM CEMBI Broad Diversified Index;
- 1/3 JPM GBI-EM Global Diversified Index

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

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

Benchmark returns stated in share class currency.

M&G Episode Allocation Fund

Benchmark: SONIA +5%

With effect from 20 July 2021 the benchmark will be SONIA +5%.

Prior to 20 July 2021 the benchmark was the 3-month GBP LIBOR +5%.

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

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

M&G Episode Growth Fund

Benchmark: (IA) Mixed Investment 40-85% Shares Sector

With effect from 2 February 2021 the benchmark is now the (IA) Mixed Investment 40-85% Shares Sector.

From 10 December 2019 to 2 February 2021 the Bloomberg Barclays Global Aggregate Index was changed to the GBP Hedged version.

Prior to 10 December 2019 the benchmark was a composite index comprising 2/3 MSCI ACWI Index and 1/3 Bloomberg Barclays Global Aggregate Index.

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

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

Benchmark returns stated in share class currency.

M&G Episode Income Fund

Benchmark: n/a

The fund is actively managed and it has no benchmark. Investors can assess the performance of the fund by its objective to provide a growing level of income and capital growth of 2-4% per annum, both measured over any three-year period.

The fund's annual report for each financial year will include details of the fund's performance in relation to its objective.

M&G Equities Investment Fund for Charities (Charifund)

Benchmark: FTSE All-Share Index

The FTSE All-Share Index is a comparator benchmark against which the fund's total return performance can be measured. The index has been chosen as it best reflects the scope of the fund's investment policy. The FTSE All-Share Index is also a target benchmark for yield. The UK Retail Prices Index (RPI) is a target benchmark for capital growth. The benchmarks are targets which the fund seeks to outperform. The target yield and capital growth level have been chosen as they are achievable targets given the fund's investment policy.

The target benchmarks and comparator benchmark do not constrain the fund's portfolio construction. The fund is actively managed. The fund manager has freedom in choosing which assets to buy, hold and sell in the fund within the constraints set by the objective and investment policy. The fund's holdings may deviate significantly from the benchmark's constituents.

The benchmark is shown in sterling.

M&G European Sustain Paris Aligned Fund

Benchmark: MSCI Europe (ex UK) Index

With effect from 31 August 2021 the benchmark is now the MSCI Europe (ex UK) Index.

Prior to 31 August 2021 the benchmark was the MSCI Europe Index.

The fund changed its name, investment objective and investment strategy on 31 August 2021.

Prior to this date, the fund was named M&G Pan European Select Fund.

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

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

Benchmark returns stated in share class currency.

M&G Gilt & Fixed Interest Income Fund

Benchmark: FTSE UK Conventional Gilts All Stocks Index

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

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

Benchmark returns stated in share class currency.

M&G Global AI Themes Fund

Benchmark: MSCI ACWI Index

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

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

Benchmark returns stated in share class currency.

M&G Global Convertibles Fund

Benchmark: Refinitiv Global Focus Convertible Bond Index

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

The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents. For unhedged share classes, the benchmark is shown in the share class currency.

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

M&G Global Corporate Bond Fund

Benchmark: Bloomberg Global Aggregate Corporate Index (GBP Hedged)

The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

Benchmark returns stated in share class currency.

M&G Global Dividend Fund

Benchmark: MSCI ACWI Index

With effect from 1 January 2012 the benchmark is now the MSCI ACWI Index.

Prior to 1 January 2012 the benchmark was the FTSE World Index.

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

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

Benchmark returns stated in share class currency.

M&G Global Emerging Markets Fund

Benchmark: MSCI Emerging Markets Index

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

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

Benchmark returns stated in share class currency.

M&G Global Floating Rate High Yield Fund

Benchmark: ICE BofAML Global Floating Rate High Yield Index (3% constrained) GBP Hedged

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

The fund is actively managed. The fund manager has complete freedom in choosing which assets to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents. For unhedged share classes, the benchmark is shown in sterling.

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

M&G Global Government Bond Fund

Benchmark: Bloomberg Global Treasury Index Unhedged USD

Prior to 6 March 2023 the benchmark was the (IA) Global Government Bond sector.

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

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

Benchmark returns stated in share class currency.

M&G Global High Yield Bond Fund

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

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

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

Benchmark returns stated in share class currency.

M&G Global Listed Infrastructure Fund

Benchmark: MSCI ACWI Index

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

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

Benchmark returns stated in share class currency.

M&G Global Macro Bond Fund

Benchmark: Bloomberg Global Aggregate Index Unhedged USD

Prior to 5 March 2023 the benchmark was (IA) Global Mixed Bond Sector Average.

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

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

Benchmark returns stated in share class currency.

M&G Global Strategic Value Fund

Benchmark: MSCI ACWI Index

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

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

Benchmark returns stated in share class currency.

M&G Global Sustain Paris Aligned Fund

Benchmark: MSCI World Index

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

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

Benchmark returns stated in share class currency.

M&G Global Target Return Fund

Benchmark: SONIA +2-4%

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

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

M&G Global Themes Fund

Benchmark: MSCI ACWI Index

With effect from 17 November 2017 the benchmark is the MSCI ACWI Index.

Prior to 17 November 2017 the benchmark was the FTSE Global Basics Composite Index.

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

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

Benchmark returns stated in share class currency.

M&G Index-Linked Bond Fund

Benchmark: FTSE UK Index-linked Gilts All Stocks Index

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

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

Benchmark returns stated in share class currency.

M&G Index Tracker Fund

Benchmark: FTSE All-Share Index

The index is a constraining benchmark for the fund.

The fund is passively managed and aims to track the return of the index. The fund's holdings are therefore unlikely to significantly deviate from the benchmark's constituents.

Benchmark returns stated in share class currency.

M&G Japan Fund

Benchmark: MSCI Japan Index

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

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

The benchmark is shown in sterling.

M&G Japan Smaller Companies Fund

Benchmark: Russell/Nomura Mid-Small Cap Index

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

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

The benchmark is shown in sterling.

M&G Managed Growth Fund

Benchmark: (IA) Flexible Investment Sector

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

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

Benchmark returns stated in share class currency.

M&G North American Dividend Fund

Benchmark: S&P 500 Index

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

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

For unhedged share classes, the benchmark is shown in sterling. For currency hedged share classes, the benchmark is hedged to sterling.

M&G North American Value Fund

Benchmark: S&P 500 Index

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

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

The benchmark is shown in sterling.

M&G Optimal Income Fund

Benchmark: A composite index comprising: 1/3 Bloomberg Global Treasury Index GBP Hedged; 1/3 Bloomberg Global Aggregate Corporate Index GBP Hedged; 1/3 Bloomberg Global High Yield Index GBP Hedged

Prior to 6 March 2023 the benchmark was (IA) Sterling Strategic Corporate Bond Sector Average.

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

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

Benchmark returns stated in share class currency.

M&G Positive Impact Fund

Benchmark: MSCI ACWI Index

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

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

The benchmark is shown in sterling.

M&G Recovery Fund

Benchmark: FTSE All-Share Index

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

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

The benchmark is shown in the share class currency.

M&G Short Dated Corporate Bond Fund

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

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

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

The benchmark has been used since 2018.

M&G Smaller Companies Fund

Benchmark: Numis Smaller Companies Index excluding Investment Companies

The Numis index is a target benchmark which the fund seeks to outperform. The Numis index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The Numis index is used to measure the fund's performance and, together with the FTSE All-Share Index and the Alternative Investment Market, constrain the fund's portfolio construction as they define the investment universe of the fund.

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

The fund's holdings may deviate significantly from the benchmark's constituents.

The benchmark is shown in sterling.

M&G Strategic Corporate Bond Fund

Benchmark: With effect from 6 March 2023 the benchmark is the iBoxx Sterling Corporates GBP Index

Prior to 6 March 2023 the benchmark was (IA) Sterling Corporate Bond Sector Average.

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

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

Benchmark returns stated in share class currency.

M&G Sustainable Global Corporate Bond Fund

Benchmark: Bloomberg MSCI Global Corporate ESG BB+ Sustainable SRI Bond Index

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

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

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

M&G Sustainable Global High Yield Bond Fund

Benchmark: Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index (Hedged GBP)

Prior to 10 May 2022 the fund was known as M&G Global High Yield ESG Bond Fund.

Prior to 10 May 2022 the benchmark was ICE BofAML Global High Yield Index (GBP Hedged).

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

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

M&G Sustainable Multi Asset Balanced Fund

Benchmark: (IA) Mixed Investment 20-60%

Shares Sector

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

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

The benchmark is shown in sterling.

M&G Sustainable Multi Asset Cautious Fund

Benchmark: (IA) Mixed Investment 0-35%

Shares Sector

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

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

The benchmark is shown in sterling.

M&G Sustainable Multi Asset Fund

Benchmark: n/a

The fund is actively managed and it has no benchmark. Investors can assess the performance of the fund by its objective to provide a total return of 4 to 8% per annum over any five-year period.

The fund's annual report for each financial year will include details of the fund's performance in relation to its objective.

M&G Sustainable Multi Asset Growth Fund

Benchmark: (IA) Flexible Investment Sector

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

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

The benchmark is shown in sterling.

M&G UK Income Distribution Fund

Benchmark: A composite index comprising:

70% FTSE All Share Index;

30% FTSE UK Conventional Gilts All Stocks Index

This composite index is the fund's total return benchmark.

The yield benchmark is the FTSE All-Share Index.

The benchmarks are targets which the fund seeks to outperform, and have been chosen as they best reflect the scope of the fund's investment policy. The benchmarks are used solely to measure the fund's performance and do not constrain the fund's portfolio construction.

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

The total return benchmark is shown in sterling.

M&G UK Inflation Linked Corporate Bond Fund

Benchmark: UK Consumer Prices Index

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

The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy.

The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

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

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

M&G UK Sustain Paris Aligned Fund

Benchmark: FTSE All-Share Index

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

The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy.

The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents. The fund changed its name, investment objective and investment strategy on 13 July 2022. Prior to this date, the fund was named M&G UK Select Fund.

The benchmark is shown in the share class currency.

