

M&G Investment Funds (4)

**Annual report and audited financial statements
for the year ended 31 October 2025**

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (4) presents its annual report and audited financial statements for the year ended 31 October 2025.

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

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

Company information

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

The Company was authorised on 20 February 2002 and was launched on 20 June 2002. The M&G Episode Allocation Fund was launched on 16 February 2007. The M&G Climate Aware Multi Asset Fund (formerly M&G Sustainable Multi Asset Fund) was launched on 14 February 2019.

At the shareholder meeting on 6 November 2024, mergers of the M&G Sustainable Multi Asset Balanced Fund and M&G Sustainable Multi Asset Cautious Fund into the M&G Episode Allocation Fund were approved by shareholders. The effective date of the merger was 22 November 2024 and the termination date was

30 October 2025. Therefore, these funds will no longer be included in this report.

At the shareholder meeting on 6 November 2024, a merger of the M&G Sustainable Multi Asset Growth Fund into the M&G Episode Growth Fund was approved by shareholders. The effective date of the merger was 22 November 2024 and the termination date was 30 October 2025. Therefore, this fund will no longer be included in this report.

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

As at 31 October 2025, none of the funds held shares of the other funds within this OEIC.

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

Fund managers

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

M&G Climate Aware Multi Asset Fund (formerly M&G Sustainable Multi Asset Fund)

Maria Municchi

M&G Episode Allocation Fund

Tony Finding and Stuart Canning

M&G Episode Growth Fund

Craig Simpson and Tony Finding

M&G Managed Growth Fund

Craig Simpson

ACD

M&G Securities Limited

10 Fenchurch Avenue, London EC3M 5AG, UK

Telephone: 0800 390 390 (UK only)

(Authorised and regulated by the Financial Conduct

Authorised Corporate Director's Report

Authority. M&G Securities Limited is a member of the Investment Association and of The Investing and Saving Alliance)

Directors of the ACD

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

* Appointed 13 January 2025.

** Resigned 30 June 2025.

*** Resigned 1 October 2025.

**** Appointed 12 March 2025.

***** Resigned 13 January 2025.

Investment manager

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

Registrar

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

Depository

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

Independent auditor

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

Annual value assessment

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

Climate-related Financial Disclosures (TCFD)

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

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

Important information

At the shareholder meeting on 6 November 2024, mergers of the M&G Sustainable Multi Asset Balanced Fund and M&G Sustainable Multi Asset Cautious Fund into the M&G Episode Allocation Fund were approved by shareholders. The effective date of the mergers was 22 November 2024 and the termination date was 30 October 2025. Therefore, these funds will no longer be included in this report.

At the shareholder meeting on 6 November 2024, a merger of the M&G Sustainable Multi Asset Growth Fund into the M&G Episode Growth Fund was approved by shareholders. The effective date of the merger was 22 November 2024 and the termination date was 30 October 2025. Therefore, this fund will no longer be included in this report.

Since January 2025 the operating charge figure does not include the underlying charges for closed-ended funds, such as investment trusts and real estate investment trusts. There is no change to what you are currently being charged, this is a presentational change to align with the latest industry guidance issued by the Investment Association.

Authorised Corporate Director's Report

On 14 February 2025 M&G Sustainable Multi Asset Fund changed its name to M&G Climate Aware Multi Asset Fund. The fund also adopted a new investment objective, policy and approach as at the same date.

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

Investor information

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

Customer services and administration for UK clients:

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

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

Telephone: 0800 390 390 (UK only)

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

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

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

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

Directors' statement

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

M&G Securities Limited
20 January 2026

Depository's Responsibilities and Report

Statement of the Depository's Responsibilities and Report of the Depository to the Shareholders of M&G Investment Funds (4) ('the Company') for the year ended 31 October 2025

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

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

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

The Depository must ensure that:

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

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

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

Edinburgh
20 January 2026

NatWest Trustee and
Depository Services Limited

Independent Auditor's Report

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

Opinion

We have audited the financial statements of M&G Investment Funds (4) ("the Company") comprising each of its sub-funds for the year ended 31 October 2025, 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 of its sub-funds, and the Notes applicable to the Financial Statements of all sub-funds, 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 2025 and of the net revenue and the net capital gains on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Independent Auditor's Report

We have nothing to report in this regard.

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the ACD

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent Auditor's Report

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), the Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrator and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's opportunity 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 of 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 testing of journal entries, with a particular focus on manually posted entries and those reflecting large and unusual transactions. We also reviewed the reporting to the ACD with respect to the application of the documented policies and procedures and reviewed 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 frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Use of our report

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

Edinburgh
20 January 2026

Ernst & Young LLP
Statutory Auditor

Financial statements and notes

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

Notes to the financial statements

1 Statement of compliance

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

2 Summary of significant accounting policies

a. Basis of preparation

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

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

b. Functional and presentational currency

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

c. Exchange rates

Transactions in currencies other than each fund's functional currency are translated at the rate of exchange ruling on the date of the transaction and where applicable assets and liabilities are translated into the fund's functional currency at the rate of exchange ruling as at 12 noon on 31 October 2025 being the last business day of the accounting period.

d. Investments – recognition and valuation

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

At the end of the reporting period all investments have been measured at their fair value using the prices and the portfolio holdings determined at 12 noon on 31 October 2025, being the last valuation point of the accounting period, as this is not materially different from a valuation carried out at close of business on the balance sheet date.

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

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

Financial statements and notes

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

Financial statements and notes

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

g. Operating charges

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

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

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

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

Financial statements and notes

h. Portfolio transaction costs

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

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

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

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

i. Tax

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

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

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

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

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

j. Allocation of returns to share classes

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

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

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

3 Risk management policies

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

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

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

Financial statements and notes

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

a. Market risk

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

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

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

b. Value at Risk approach

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

When VaR is used, it may be calculated using the Absolute VaR approach or the Relative VaR approach.

Absolute VaR is the VaR expressed as a percentage of the Net Asset Value of a fund which must not exceed an absolute limit. Under the Absolute VaR approach, the VaR limit is set as a percentage of the Net Asset Value of the relevant fund. The absolute 20-day VaR based on a 99% confidence interval must not exceed 20% of the fund's Net Asset Value.

Under the Relative VaR approach, the VaR limit for a fund is set as a multiple of the VaR of the fund's reference portfolio. The 20-day VaR of the fund based on a 99% confidence interval must not exceed twice the VaR of the fund's reference portfolio. The Investment Manager monitors this limit by ensuring that the VaR of the fund divided by the VaR of the reference portfolio is not greater than 200%.

The table below shows funds using either the Absolute or Relative 'Value at Risk (VaR)' approach:

Fund	Global exposure approach
M&G Climate Aware Multi Asset Fund (formerly M&G Sustainable Multi Asset Fund)	Absolute VaR
M&G Episode Allocation Fund	Absolute VaR
M&G Episode Growth Fund	Absolute VaR
M&G Managed Growth Fund	Absolute VaR

c. Liquidity risk

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

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

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

Cashflow liquidity is managed in each fund on a daily basis using reports that include subscription and redemption information as well as the impact of trading, derivative lifecycle events and

Financial statements and notes

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

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

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

d. Credit risk

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

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

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

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

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 10 July 2025 has been used.

This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. This product does not have a specific sustainability goal and therefore does not use a label.

Investment objective

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

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

Investment policy

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

The fund will typically invest 20%-60% of its assets in equities and equity-related instruments and 20%-80% in fixed income securities or cash. These allocations reflect the net exposure of the portfolio.

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

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

Investment approach

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

The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. The fund's annualised volatility is expected to be between 4% and 9%, over any five-year period.

ESG information

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

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

Benchmark

None

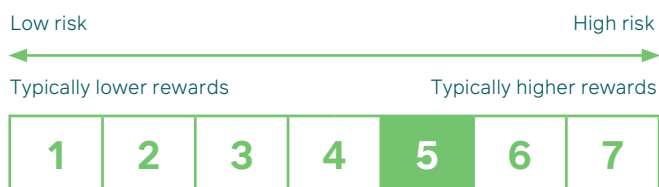
The fund is actively managed and it has no benchmark. Investors can assess the performance of the fund by its objective to provide a total return of 4% to 8% per annum over any five-year period. The fund's annual report for each financial year will include details of the fund's performance in relation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

Authorised Corporate Director’s Report

Risk profile

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

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



The above number:

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

Investment review

For the year ended 31 October 2025

Performance against objective

Between 1 November 2024 (the start of the review period) and 31 October 2025, the M&G Climate Aware Multi Asset Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. The fund aims to provide a total return (capital growth plus income) of 4% to 8% pa over any five-year period, net of the ongoing charges figure, while applying ESG (environmental, social and governance) Criteria, including Climate Aware Criteria. Over the five-year period, the fund achieved positive returns within the 4%–8% pa range and has, therefore, achieved its objective.

Following new regulations from the Financial Conduct Authority (FCA), the fund changed its name from the M&G Sustainable Multi Asset Fund to the M&G Climate Aware Multi Asset Fund on 14 February 2025. The fund

has not adopted a UK sustainable investment label. While the fund makes certain ESG commitments, it does not have a specific sustainability goal and its sustainability approach does not meet the label requirements. With regards to the fund’s ESG commitments, we will report on this separately on an annual basis and publish this to our website. For more information on the fund’s ESG commitments and relevant metrics to measure their attainment, please refer to the fund’s consumer-facing disclosure: mandg.com/climate-aware-multi-asset-fund

Performance review

Early in the period under review, markets were unsettled by US-driven turbulence in global trade and rising government bond yields, which led to volatility in both company shares (equities) and bonds. As the year progressed, European fiscal stimulus and resilient corporate earnings helped risk assets (securities whose prices rise and fall in direct relation with investors’ appetite for risk) recover, while technology companies’ shares rebounded strongly. Later in the period, global markets were influenced by shifting expectations for US interest rates, ongoing trade negotiations, and renewed volatility in government bonds, particularly in the UK and US, amid inflation concerns and political developments. Overall, risk sentiment improved, but market conditions remained changeable throughout the year.

Equities were the biggest contributor to fund returns. Technology shares in North America delivered standout gains, with companies like Broadcom and Lam Research leading the way. UK and continental European equities also performed well. Japanese stocks made a strong contribution too, closely followed by other Asian markets, particularly South Korea. Throughout the year, the fund maintained a constructive outlook on European and Asian equity markets, reflecting its broader preference for global equities outside the United States. This stance was reinforced by the exceptionally high valuations observed in US equities at the start of the year. The fund’s allocations across Europe (including the UK) and Asia have performed well, notably outperforming US equities over the first

Authorised Corporate Director's Report

half of 2025. US equities caught up towards the end of the period as positive sentiment across US risk markets rebounded. A number of the fund's tech-related equity holdings rallied towards the end of the quarter as signs of dealmaking emerged in the artificial intelligence (AI) space. Names such as Broadcom, NVIDIA and Alphabet were significant contributors over the period.

The fund's allocation to listed green infrastructure assets was one of few detractors in the portfolio. Assets in the renewable energy space continued to struggle amid persistent high bond yields globally (many infrastructure investments prefer a low or declining interest rate environment) and deteriorating confidence in the sector.

Government bonds produced mixed results. UK and Australian government bonds contributed positively, while US and German bonds detracted from performance. Investments in renewable energy infrastructure faced significant challenges, reflecting broader difficulties in that sector.

Within Asia, South Korea was a notable bright spot. UK gilts, supranational bonds, and Australian government bonds contributed positively. Non-mainstream government bonds, especially those from supranational issuers and Mexico, were beneficial, while US and EU corporate bonds also posted modest gains.

Currency movements also played a role, with the US dollar's weakness against other major currencies detracting from returns. However, the majority of the portfolio is hedged back to base currency (GBP) so currency movements shouldn't be an overly deterministic source of portfolio returns. Our strategy of avoiding overvalued sectors and regions helped the fund remain resilient during periods of market volatility. Overall, we maintained a moderately defensive stance, balancing risk and opportunity.

Investment activities

Over the year, there was a significant increase in government bond holdings, taking advantage of the higher yields on offer, and a smaller increase in high yield bonds, while investment grade corporate bonds were reduced.

Early in the period, we increased our exposure to long-dated government bonds particularly in the UK, Germany, and Australia, to diversify risk and take advantage of attractive yields. At the same time, we reduced credit exposure to manage risk.

In equities, we shifted some investments from UK companies to Japanese firms over the period under review, seeking better value and growth prospects. We also reduced exposure to European equities following a period of strong performance, and later adjusted emerging market bond holdings to benefit from higher yields in Brazil and Colombia. The fund added to its healthcare sector holdings, including companies like Novo Nordisk and UnitedHealth, after a period of underperformance and following discussions with our analysts.

We also took steps to manage currency risk, reducing its US dollar exposure as the currency appeared vulnerable. Despite ongoing challenges, the fund maintained its commitment to the renewable energy sector, reflecting its climate-aware mandate. Finally, we opened a small position in copper mining equities, recognising the metal's critical role in the global energy transition.

Outlook

We remain willing to lean into any volatility and opportunities that present themselves into the end of the year. However, the willingness of the market to remain risk-seeking while largely brushing off any negative narrative encourages us to stay patient and conservative with positioning, aligned with our valuation framework and with room to respond should the current equilibrium be disturbed.

Maria Municchi

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Collective investment schemes	1,550	5.07	0.73
Other funds	1,550	5.07	0.73
232,370 iShares EUR Corp. Bond ESG SRI UCITS ETF	990	3.24	
140,200 iShares USD Corp. Bond ESG SRI UCITS ETF	560	1.83	
Equities	14,694	48.10	50.20
Automobiles and parts	220	0.72	0.64
2,042 Bayerische Motoren Werke AG	146	0.48	
7,500 BYD Co. Ltd.	74	0.24	
Banks	1,264	4.14	4.09
881,300 Bank Rakyat Indonesia Persero Tbk. PT	161	0.53	
15,392 CaixaBank SA	122	0.40	
9,742 HDFC Bank Ltd. ADR	271	0.89	
8,623 ING Groep NV	166	0.54	
16,500 Japan Post Bank Co. Ltd.	141	0.46	
2,022 KB Financial Group, Inc.	126	0.41	
1,155 KBC Group NV	106	0.35	
1,708 Lion Finance Group PLC	135	0.44	
6,175 NatWest Group PLC	36	0.12	
Basic resources	494	1.61	0.00
4,738 Antofagasta PLC	132	0.43	
19,558 Atalaya Mining Copper SA	132	0.43	
2,953 International Paper Co.	86	0.28	
11,626 Lundin Mining Corp.	144	0.47	
Consumer products and services	790	2.58	2.91
1,396 Bright Horizons Family Solutions, Inc.	98	0.32	
476 Cie Financiere Richemont SA	71	0.23	
1,209 Compass Group PLC	31	0.10	
1,653 eBay, Inc.	106	0.35	
9,700 Katitas Co. Ltd.	120	0.39	
283 L'Oreal SA	91	0.30	
1,735 NIKE, Inc.	86	0.28	
8,700 Sony Group Corp.	187	0.61	

Portfolio statement

Investments (continued)

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Equities (continued)			
Energy			
2,359 Enphase Energy, Inc.	55	0.18	
10,884 Vestas Wind Systems AS	172	0.56	
Financial services			
360,748 Greencoat U.K. Wind PLC	384	1.26	
837 London Stock Exchange Group PLC	79	0.26	
543,894 Octopus Renewables Infrastructure Trust PLC	328	1.07	
Health care			
1,492 Agilent Technologies, Inc.	163	0.53	
6,108 ALK-Abello AS	153	0.50	
441 Amgen, Inc.	97	0.32	
18,000 Astellas Pharma, Inc.	144	0.47	
918 Becton Dickinson & Co.	125	0.41	
2,721 Fresenius Medical Care AG	112	0.37	
6,432 GSK PLC	114	0.37	
1,166 Johnson & Johnson	167	0.55	
4,214 Novo Nordisk AS	156	0.51	
991 Quest Diagnostics, Inc.	133	0.44	
350 Thermo Fisher Scientific, Inc.	148	0.48	
467 UnitedHealth Group, Inc.	122	0.40	
Industrial goods and services			
2,759 Ball Corp.	100	0.33	
18,697 Brambles Ltd.	231	0.75	
8,800 Hitachi Ltd.	232	0.76	
2,770 Horiba Ltd.	197	0.65	
3,535 Johnson Controls International PLC	307	1.00	
379 Mastercard, Inc.	159	0.52	
2,900 Recruit Holdings Co. Ltd.	111	0.36	
960 Schneider Electric SE	210	0.69	
775 Siemens AG	169	0.55	
776 Visa, Inc.	203	0.66	

Portfolio statement

Investments (continued)

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Equities (continued)			
Insurance			
38,352 AIA Group Ltd.	283	0.93	
561 Allianz SE	173	0.57	
3,406 AMERISAFE, Inc.	104	0.34	
19,756 Aviva PLC	132	0.43	
263 Hannover Rueck SE	57	0.19	
1,595 Marsh & McLennan Cos., Inc.	216	0.71	
Media			
1,488 Alphabet, Inc.	323	1.06	
114 Netflix, Inc.	97	0.32	
Personal care, drug and grocery stores			
546 Procter & Gamble Co.	62	0.20	
2,704 Unilever PLC	124	0.41	
Real estate			
685,199 Home ^a	88	0.29	
Retail			
1,624 Industria de Diseno Textil SA	69	0.23	
6,700 JD.com, Inc.	83	0.27	
979 Lowe's Cos., Inc.	179	0.59	
2,486 Walmart, Inc.	193	0.63	
Technology			
1,950 Apple, Inc.	411	1.34	
254 ASML Holding NV	208	0.68	
518 Autodesk, Inc.	119	0.39	
792 Broadcom, Inc.	227	0.74	
3,072 Infineon Technologies AG	93	0.30	
1,229 Lam Research Corp.	152	0.50	
373 Meta Platforms, Inc.	192	0.63	
870 Microsoft Corp.	350	1.15	
6,400 NEC Corp.	178	0.58	
2,541 NVIDIA Corp.	401	1.31	
2,778 ON Semiconductor Corp.	108	0.35	

Portfolio statement

Investments (continued)

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Equities (continued)			
Technology (continued)			
1,226 QUALCOMM, Inc.	167	0.55	
2,303 RELX PLC	78	0.25	
708 SAP SE	141	0.46	
158 Synopsys, Inc.	53	0.17	
11,000 Taiwan Semiconductor Manufacturing Co. Ltd.	409	1.34	
4,600 Tencent Holdings Ltd.	284	0.93	
Telecommunications	614	2.02	1.91
232,600 NTT, Inc.	182	0.60	
4,936 Samsung Electronics Co. Ltd.	286	0.94	
134,900 SoftBank Corp.	146	0.48	
Travel and leisure	124	0.41	0.42
32 Booking Holdings, Inc.	124	0.41	
Utilities	863	2.83	3.28
15,540 EDP Renovaveis SA	175	0.57	
595,729 Greencoat Renewables PLC ^b	369	1.21	
11,867 Orsted AS	163	0.54	
977 Republic Services, Inc.	156	0.51	
Fixed income	13,830	45.27	47.31
AUD1,198,000 Australia Government Bonds 4.25% 21/06/2034	600	1.96	
EUR690,000 Bundesrepublik Deutschland Bundesanleihe 0% 15/08/2030	548	1.79	
EUR2,172,000 Bundesrepublik Deutschland Bundesanleihe 1.8% 15/08/2053	1,428	4.68	
EUR585,000 Bundesrepublik Deutschland Bundesanleihe 2.3% 15/02/2033	510	1.67	
COP2,740,000,000 Colombia TES 7% 26/03/2031	442	1.45	
IDR3,400,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	152	0.50	
TRY7,800,000 European Bank for Reconstruction & Development 28% 27/09/2027	129	0.42	
ZAR6,000,000 European Investment Bank 0% 18/10/2032	156	0.51	
USD1,140,000 European Investment Bank 3.75% 14/02/2033	856	2.80	
BRL8,300,000 International Bank for Reconstruction & Development 0% 08/02/2038	308	1.01	

Portfolio statement

Investments (continued)

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Fixed income (continued)			
INR17,500,000 International Bank for Reconstruction & Development 6.85% 24/04/2028	151	0.50	
BRL4,380,000 International Bank for Reconstruction & Development 9.5% 09/02/2029	581	1.90	
MXN11,700,000 Mexico Bonos 7.75% 23/11/2034	453	1.48	
MXN12,500,000 Mexico Bonos 8% 24/05/2035	488	1.60	
GBP2,280,000 U.K. Gilts 0.875% 31/07/2033	1,780	5.82	
GBP4,315,000 U.K. Gilts 1.5% 31/07/2053	1,983	6.49	
GBP1,000,000 U.K. Treasury Bills 0% 19/01/2026	992	3.25	
GBP750,000 U.K. Treasury Bills 0% 09/02/2026	742	2.43	
GBP1,550,000 U.K. Treasury Bills 0% 23/02/2026	1,531	5.01	
Derivatives	62	0.20	(0.55)
Forwards	(22)	(0.07)	(0.11)
Bought USD124,718 for GBP94,970 Settlement 30/01/2026	0	0.00	
Bought USD540,490 for KRW756,469,439 Settlement 04/12/2025	8	0.03	
Bought USD278,193 for TWD8,430,903 Settlement 28/11/2025	3	0.01	
Bought USD278,385 for TWD8,430,902 Settlement 08/12/2025	3	0.01	
Sold AUD1,685,392 for GBP842,933 Settlement 30/01/2026	2	0.01	
Sold CHF121,248 for GBP116,437 Settlement 30/01/2026	0	0.00	
Sold DKK5,453,977 for GBP646,483 Settlement 30/01/2026	(1)	0.00	
Sold EUR6,694,400 for GBP5,921,645 Settlement 30/01/2026	(5)	(0.02)	
Sold HKD7,078,434 for GBP688,113 Settlement 30/01/2026	(6)	(0.02)	
Sold JPY127,491,431 for GBP639,375 Settlement 30/01/2026	4	0.01	
Sold USD7,151,486 for GBP5,417,374 Settlement 30/01/2026	(30)	(0.10)	

Portfolio statement

Investments (continued)

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Derivatives (continued)			
Futures	84	0.27	(0.44)
25 Ultra U.S. Treasury Bond Futures Dec 2025	84	0.27	
Total portfolio	30,136	98.64	97.69
Net other assets/(liabilities)	417	1.36	2.31
Net assets attributable to shareholders	30,553	100.00	100.00

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

The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

^a Suspended/delisted.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the year to 31 October 2025

Largest purchases	£'000
U.K. Treasury Bills 0% 04/08/2025	1,693
U.K. Treasury Bills 0% 23/02/2026	1,522
U.K. Treasury Bills 0% 19/01/2026	1,433
U.K. Gilts 1.5% 31/07/2053	1,220
U.K. Treasury Bills 0% 01/09/2025	1,178
U.K. Treasury Bills 0% 02/06/2025	1,037
Bundesrepublik Deutschland Bundesanleihe 1.8% 15/08/2053	979
iShares EUR Corp. Bond ESG SRI UCITS ETF	924
U.K. Treasury Bills 0% 18/08/2025	747
U.K. Treasury Bills 0% 09/02/2026	736
Other purchases	7,412
Total purchases	18,881

Largest sales	£'000
U.K. Treasury Bills 0% 09/12/2024	1,768
U.K. Treasury Bills 0% 04/08/2025	1,710
U.K. Treasury Bills 0% 01/09/2025	1,199
U.K. Treasury Bills 0% 02/06/2025	1,053
U.K. Treasury Bills 0% 07/04/2025	1,047
U.K. Treasury Bills 0% 10/03/2025	894
U.K. Treasury Bills 0% 18/08/2025	763
Inter-American Development Bank 4.375% 24/01/2044	732
International Bank for Reconstruction & Development 5% 22/01/2026	650
International Bank for Reconstruction & Development 4.25% 22/01/2026	546
Other sales	15,869
Total sales	26,231

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+10.2	+7.7	+4.7	n/a
Class 'A' Accumulation	+10.2	+7.7	+4.7	n/a
Class 'I' Income	+10.5	+8.0	+5.1	n/a
Class 'I' Accumulation	+10.5	+8.0	+5.1	n/a
Class 'L' Income	+10.7	+8.2	+5.2	n/a
Class 'L' Accumulation	+10.7	+8.2	+5.2	n/a
Class 'PP' Income	+10.6	+8.1	+5.1	n/a
Class 'PP' Accumulation	+10.6	+8.1	+5.1	n/a
Class 'R' Income	+10.3	+7.8	+4.8	n/a
Class 'R' Accumulation	+10.3	+7.8	+4.8	n/a

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 20 February 2019.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	100.30	92.23	94.70
Return before operating charges*	11.09	12.71	2.08
Operating charges	(1.07)	(1.05)	(1.12)
Return after operating charges*	10.02	11.66	0.96
Distributions	(3.54)	(3.59)	(3.43)
Closing NAV	106.78	100.30	92.23
*after direct transaction cost of	0.03	0.05	0.03
Performance			
Return after charges (%)	9.99	12.64	1.01
Other information			
Closing NAV (£'000)	865	829	929
Number of shares	810,115	826,718	1,007,005
Operating charges (%)	1.05	1.05	1.13
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	108.17	103.92	102.57
Lowest share price (UK p)	94.26	92.59	92.55

Sterling Class 'A' Accumulation shares

The share class was launched on 20 February 2019.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	119.42	105.95	105.07
Return before operating charges*	13.47	14.70	2.13
Operating charges	(1.29)	(1.23)	(1.25)
Return after operating charges*	12.18	13.47	0.88
Distributions	(2.98)	(2.95)	(2.69)
Retained distributions	2.98	2.95	2.69
Closing NAV	131.60	119.42	105.95
*after direct transaction cost of	0.04	0.06	0.04
Performance			
Return after charges (%)	10.20	12.71	0.84
Other information			
Closing NAV (£'000)	448	522	350
Number of shares	340,356	437,410	330,175
Operating charges (%)	1.05	1.05	1.13
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	132.24	122.66	114.80
Lowest share price (UK p)	113.15	106.37	105.14

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 20 February 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	102.95	94.29	96.42
Return before operating charges*	11.34	12.93	2.02
Operating charges	(0.68)	(0.67)	(0.74)
Return after operating charges*	10.66	12.26	1.28
Distributions	(3.56)	(3.60)	(3.41)
Closing NAV	110.05	102.95	94.29
*after direct transaction cost of	0.03	0.05	0.03
Performance			
Return after charges (%)	10.35	13.00	1.33
Other information			
Closing NAV (£'000)	3,682	3,977	4,472
Number of shares	3,345,798	3,862,549	4,743,422
Operating charges (%)	0.65	0.65	0.73
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	111.45	106.61	104.55
Lowest share price (UK p)	96.90	94.66	94.59

Sterling Class 'I' Accumulation shares

The share class was launched on 20 February 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	121.94	107.84	106.60
Return before operating charges*	13.69	14.87	2.06
Operating charges	(0.82)	(0.77)	(0.82)
Return after operating charges*	12.87	14.10	1.24
Distributions	(3.45)	(3.39)	(3.09)
Retained distributions	3.45	3.39	3.09
Closing NAV	134.81	121.94	107.84
*after direct transaction cost of	0.04	0.06	0.04
Performance			
Return after charges (%)	10.55	13.07	1.16
Other information			
Closing NAV (£'000)	10,895	12,557	12,336
Number of shares	8,081,540	10,297,803	11,439,345
Operating charges (%)	0.65	0.65	0.73
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	135.46	125.22	116.75
Lowest share price (UK p)	115.69	108.27	106.68

Financial highlights

Sterling Class 'L' Income shares

The share class was launched on 20 February 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	104.13	95.18	97.21
Return before operating charges*	11.44	13.03	1.99
Operating charges	(0.48)	(0.47)	(0.54)
Return after operating charges*	10.96	12.56	1.45
Distributions	(3.57)	(3.61)	(3.48)
Closing NAV	111.52	104.13	95.18
*after direct transaction cost of	0.03	0.05	0.03
Performance			
Return after charges (%)	10.53	13.20	1.49
Other information			
Closing NAV (£'000)	10	9	20
Number of shares	9,000	9,000	20,700
Operating charges (%)	0.45	0.45	0.53
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	112.93	107.81	105.39
Lowest share price (UK p)	98.09	95.56	95.47

Sterling Class 'L' Accumulation shares

The share class was launched on 20 February 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	123.13	108.72	107.30
Return before operating charges*	13.78	14.95	2.02
Operating charges	(0.57)	(0.54)	(0.60)
Return after operating charges*	13.21	14.41	1.42
Distributions	(3.68)	(3.62)	(3.32)
Retained distributions	3.68	3.62	3.32
Closing NAV	136.34	123.13	108.72
*after direct transaction cost of	0.04	0.06	0.04
Performance			
Return after charges (%)	10.73	13.25	1.32
Other information			
Closing NAV (£'000)	12,128	14,937	20,212
Number of shares	8,895,197	12,130,872	18,590,154
Operating charges (%)	0.45	0.45	0.53
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	137.00	126.43	117.65
Lowest share price (UK p)	116.91	109.16	107.38

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Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	100.91	92.32	94.32
Return before operating charges*	11.10	12.64	1.95
Operating charges	(0.57)	(0.55)	(0.62)
Return after operating charges*	10.53	12.09	1.33
Distributions	(3.47)	(3.50)	(3.33)
Closing NAV	107.97	100.91	92.32
*after direct transaction cost of	0.03	0.05	0.03
Performance			
Return after charges (%)	10.44	13.10	1.41
Other information			
Closing NAV (£'000)	228	320	302
Number of shares	211,351	316,963	327,385
Operating charges (%)	0.55	0.55	0.63
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	109.34	104.48	102.29
Lowest share price (UK p)	95.02	92.69	92.61

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	119.80	105.87	104.57
Return before operating charges*	13.43	14.57	2.00
Operating charges	(0.68)	(0.64)	(0.70)
Return after operating charges*	12.75	13.93	1.30
Distributions	(3.49)	(3.43)	(3.13)
Retained distributions	3.49	3.43	3.13
Closing NAV	132.55	119.80	105.87
*after direct transaction cost of	0.04	0.06	0.04
Performance			
Return after charges (%)	10.64	13.16	1.24
Other information			
Closing NAV (£'000)	1,025	891	1,052
Number of shares	773,487	743,855	993,330
Operating charges (%)	0.55	0.55	0.63
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	133.20	123.02	114.58
Lowest share price (UK p)	113.71	106.29	104.64

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 20 February 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	101.43	93.13	95.49
Return before operating charges*	11.20	12.83	2.06
Operating charges	(0.93)	(0.93)	(0.98)
Return after operating charges*	10.27	11.90	1.08
Distributions	(3.55)	(3.60)	(3.44)
Closing NAV	108.15	101.43	93.13
*after direct transaction cost of	0.03	0.05	0.03
Performance			
Return after charges (%)	10.13	12.78	1.13
Other information			
Closing NAV (£'000)	370	197	179
Number of shares	342,129	193,880	192,444
Operating charges (%)	0.90	0.90	0.98
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	109.54	105.07	103.45
Lowest share price (UK p)	95.37	93.49	93.44

Sterling Class 'R' Accumulation shares

The share class was launched on 20 February 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	120.55	106.83	105.82
Return before operating charges*	13.57	14.78	2.10
Operating charges	(1.11)	(1.06)	(1.09)
Return after operating charges*	12.46	13.72	1.01
Distributions	(3.16)	(3.12)	(2.85)
Retained distributions	3.16	3.12	2.85
Closing NAV	133.01	120.55	106.83
*after direct transaction cost of	0.04	0.06	0.04
Performance			
Return after charges (%)	10.34	12.84	0.95
Other information			
Closing NAV (£'000)	902	893	899
Number of shares	678,454	740,644	841,687
Operating charges (%)	0.90	0.90	0.98
Direct transaction costs (%)	0.03	0.05	0.03
Prices			
Highest share price (UK p)	133.66	123.82	115.71
Lowest share price (UK p)	114.28	107.25	105.89

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Statement of total return

for the year to 31 October	Note	2025		2024	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		2,233		4,026
Revenue	5	1,203		1,814	
Expenses	6	(187)		(252)	
Interest payable and similar charges		0		(1)	
Net revenue/(expense) before taxation		1,016		1,561	
Taxation	7	(160)		(241)	
Net revenue/(expense) after taxation			856		1,320
Total return before distributions			3,089		5,346
Distributions	8		(896)		(1,361)
Change in net assets attributable to shareholders from investment activities			2,193		3,985

Statement of change in net assets attributable to shareholders

for the year to 31 October	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		35,132		40,751
Amounts received on issue of shares	2,709		8,275	
Amounts paid on cancellation of shares	(10,187)		(19,053)	
		(7,478)		(10,778)
Dilution adjustments		8		32
Change in net assets attributable to shareholders from investment activities (see above)		2,193		3,985
Retained distributions on Accumulation shares		698		1,142
Closing net assets attributable to shareholders		30,553		35,132

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Balance sheet

as at 31 October	Note	2025 £'000	2024 £'000
Assets			
Fixed assets			
Investments		30,178	34,517
Current assets			
Debtors	9	236	376
Cash and bank balances	10	387	936
Total assets		30,801	35,829
Liabilities			
Investment liabilities		(42)	(198)
Creditors			
Distribution payable		(41)	(45)
Other creditors	11	(165)	(454)
Total liabilities		(248)	(697)
Net assets attributable to shareholders		30,553	35,132

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Notes to the financial statements

1 Accounting policies

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

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2025 £'000	2024 £'000
Non-derivative securities	2,497	2,586
Derivative contracts	(187)	1,462
Currency gains/(losses)	(77)	(22)
Net capital gains/(losses)	2,233	4,026

Includes realised gains of £177,000 and unrealised gains of £2,056,000 (2024: realised gains of £2,237,000 and unrealised gains of £1,789,000). Certain realised gains and losses in the current year were unrealised in the prior year.

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4 Portfolio transactions and associated costs

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

for the year to 31 October	2025 £'000	% of transaction	2024 £'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	3,471		12,837	
Commissions	1	0.03	3	0.02
Taxes and other fees	2	0.06	10	0.08
Equities after transaction costs	3,474		12,850	
Debt securities	13,926		24,764	
Collective investment schemes				
Collective investment schemes before transaction costs	1,481		798	
Taxes and other fees	0	0.00	2	0.20
Collective investment schemes after transaction costs	1,481		800	
Total purchases after transaction costs	18,881		38,414	
b) Sales				
Equities				
Equities before transaction costs	8,246		14,741	
Commissions	(3)	0.03	(4)	0.03
Taxes and other fees	(4)	0.05	(3)	0.02
Equities after transaction costs	8,239		14,734	
Debt securities	17,255		30,447	
Collective investment schemes	737		756	
Total sales after transaction costs	26,231		45,937	
	2025 £'000	% of average NAV	2024 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	4	0.01	7	0.02
Taxes and other fees paid				
Equities	6	0.02	13	0.03
Collective investment schemes	0	0.00	2	0.00
Total taxes and other fees paid	6	0.02	15	0.03
Total direct portfolio transaction costs	10	0.03	22	0.05

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	%	%
d) Indirect portfolio transaction costs		
Average portfolio dealing spread as at the balance sheet date	0.15	0.22

5 Revenue

for the year to 31 October	2025 £'000	2024 £'000
Bank interest	4	10
Derivative revenue	15	4
Distributions from collective investment schemes: non-taxable	15	19
Distributions from collective investment schemes: taxable	37	28
Dividends from equity investments: non-taxable	379	559
Interest on debt securities	751	1,173
Property distribution: non-taxable	0	2
Property distribution: taxable	0	19
Rebate of ongoing charges from underlying funds	2	0
Total revenue	1,203	1,814

6 Expenses

for the year to 31 October	2025 £'000	2024 £'000
Payable to the ACD or associate		
Annual charge	187	252
Total expenses	187	252

Audit fees for the financial year ending 2025 were £13,000 (2024: £13,000) (including VAT), which are covered by the annual charge.

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7 Taxation

for the year to 31 October	2025 £'000	2024 £'000
a) Analysis of charge in the year		
Corporation tax	124	195
Withholding tax	29	50
Double taxation relief	(1)	(3)
Capital gains tax (Columbia)	2	0
Capital gains tax (US)	0	(1)
Prior year adjustment	6	0
Deferred tax (note 7c)	0	0
Total taxation	160	241
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	1,016	1,561
Corporation tax at 20%	203	312
Effects of:		
Revenue: non-taxable	(79)	(117)
Double taxation relief	(1)	(3)
Withholding tax	29	50
Capital gains tax (Columbia)	2	0
Capital gains tax (US)	0	(1)
Prior year adjustment	6	0
Total tax charge (note 7a)	160	241
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	0	0

The fund has not recognised a deferred tax asset in the current financial year (2024: same).

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8 Distributions

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

for the year to 31 October	2025		2024	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Dividend distributions				
First interim	41	166	48	242
Second interim	46	179	50	315
Third interim	48	192	60	379
Final	41	161	45	206
Total net distributions		874		1,345
Income deducted on cancellation of shares		34		36
Income received on issue of shares		(12)		(20)
Distributions		896		1,361
Net revenue/(expense) per statement of total return		856		1,320
Expenses offset against capital		38		42
Capital gains tax offset against capital		2		(1)
Distributions		896		1,361

9 Debtors

as at 31 October	2025 £'000	2024 £'000
Amounts receivable on issues of shares	40	97
Currency deals outstanding	0	55
Debt security interest receivable	163	190
Dividends receivable	17	20
Withholding tax recoverable	16	14
Total debtors	236	376

10 Cash and bank balances

as at 31 October	2025 £'000	2024 £'000
Amounts held at futures clearing houses and collateral manager	7	247
Cash held as bank balances	380	689
Total cash and bank balances	387	936

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11 Other creditors

as at 31 October	2025 £'000	2024 £'000
Amounts payable on cancellation of shares	89	197
Annual charge payable	9	10
Corporation tax payable	67	192
Currency deals outstanding	0	55
Total other creditors	165	454

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

13 Shares in issue

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

Share class	Opening 01.11.24	Movements			Closing 31.10.25
		Issued	Cancelled	Converted	
Sterling					
Class 'A' Income	826,718	139,354	(155,957)	0	810,115
Class 'A' Accumulation	437,410	11,528	(108,582)	0	340,356
Class 'I' Income	3,862,549	788,166	(1,304,917)	0	3,345,798
Class 'I' Accumulation	10,297,803	912,728	(3,128,991)	0	8,081,540
Class 'L' Income	9,000	0	0	0	9,000
Class 'L' Accumulation	12,130,872	108,600	(3,344,275)	0	8,895,197
Class 'PP' Income	316,963	0	(105,612)	0	211,351
Class 'PP' Accumulation	743,855	184,335	(154,703)	0	773,487
Class 'R' Income	193,880	162,081	(13,832)	0	342,129
Class 'R' Accumulation	740,644	78,076	(140,266)	0	678,454

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

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14 Charging structure

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

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

15 Related parties

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

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

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 0.14% (2024: 10.79%) of the fund's shares.

16 Fair value analysis

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

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

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

Level 2: Valuation technique using observable market data

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

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Level 3: Valuation technique using unobservable inputs

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

as at 31 October	Assets 2025 £'000	Liabilities 2025 £'000	Assets 2024 £'000	Liabilities 2024 £'000
Level 1	25,754	0	25,478	(153)
Level 2	4,336	(42)	8,942	(45)
Level 3	88	0	97	0
	30,178	(42)	34,517	(198)

Level 3 assets comprise solely of Home (2024: Home) which is held at a discount to estimated NAV.

17 Risk management policies

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

18 Market risk sensitivity and exposure

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

The VaR limit set during the financial year to 31 October 2025 was 20% (2024: 20%).

The lowest, highest and average utilisation of VaR with reference to the limit above are calculated during the financial years ended 31 October 2025 and 31 October 2024.

for the year to 31 October	2025 Utilisation of VaR 20%	2024 Utilisation of VaR 20%
Lowest	20.30	23.45
Highest	30.45	25.80
Average	24.49	24.60

19 Credit risk

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

as at 31 October	2025 £'000	2024 £'000
Investment grade securities	13,388	16,622
Below investment grade securities	442	0
Other investments	16,306	17,697
Total	30,136	34,319

The credit ratings are provided by S&P, followed by Moody's, and finally Fitch.

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

as at 31 October 2025	Forwards £'000	Futures £'000
Bank of America Merrill Lynch	0	84
Barclays Bank	(2)	0
JPMorgan	(26)	0
Standard Chartered Bank	2	0
UBS	4	0
Total	(22)	84

At the balance sheet date £nil (2024: £280,000) of cash collateral was held by the fund in respect of forward currency contracts.

as at 31 October 2024	Forwards £'000	Futures £'000
Bank of America Merrill Lynch	3	(153)
Citigroup	(10)	0
JPMorgan	(1)	0
State Street Bank	(32)	0
Total	(40)	(153)

20 Leverage risk

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

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

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2025 and 31 October 2024 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2025 £'000	2025 %	2024 £'000	2024 %
Lowest	42,221	140.00	53,084	135.00
Highest	80,082	297.00	136,905	297.00
Average	50,690	168.02	75,961	171.57

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21 Dividend distribution tables

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

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.11.24	31.01.25	03.02.25	31.03.25
Second interim	01.02.25	30.04.25	01.05.25	30.06.25
Third interim	01.05.25	31.07.25	01.08.25	30.09.25
Final	01.08.25	31.10.25	03.11.25	31.12.25

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

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

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

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
First interim	0.7652	0.0673	0.8325	0.8025
Second interim	0.3470	0.5399	0.8869	0.8731
Third interim	0.3988	0.5621	0.9609	1.0486
Final	0.2105	0.6488	0.8593	0.8682

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
First interim	0.3460	0.3257	0.6717	0.6225
Second interim	0.3036	0.4541	0.7577	0.7123
Third interim	0.2373	0.6008	0.8381	0.9145
Final	0.3291	0.3817	0.7108	0.7054

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Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.2711	0.5635	0.8346	0.8004
Second interim	0.3944	0.4952	0.8896	0.8738
Third interim	0.4024	0.5661	0.9685	1.0536
Final	0.5192	0.3435	0.8627	0.8694

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.3229	0.4638	0.7867	0.7266
Second interim	0.3276	0.5407	0.8683	0.8188
Third interim	0.3360	0.6237	0.9597	1.0293
Final	0.3100	0.5252	0.8352	0.8191

Sterling Class 'L' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.8372	0.0000	0.8372	0.7995
Second interim	0.8966	0.0000	0.8966	0.8758
Third interim	0.9754	0.0000	0.9754	1.0577
Final	0.8644	0.0000	0.8644	0.8732

Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.0880	0.7550	0.8430	0.7794
Second interim	0.8495	0.0756	0.9251	0.8727
Third interim	0.2611	0.7603	1.0214	1.0872
Final	0.2712	0.6235	0.8947	0.8771

Financial statements and notes

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.8122	0.0000	0.8122	0.7781
Second interim	0.8697	0.0000	0.8697	0.8510
Third interim	0.9432	0.0000	0.9432	1.0273
Final	0.8424	0.0000	0.8424	0.8467

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.1967	0.5998	0.7965	0.7360
Second interim	0.5821	0.2956	0.8777	0.8268
Third interim	0.3525	0.6158	0.9683	1.0346
Final	0.2632	0.5816	0.8448	0.8292

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.3495	0.4849	0.8344	0.8026
Second interim	0.3211	0.5662	0.8873	0.8745
Third interim	0.7193	0.2484	0.9677	1.0518
Final	0.5992	0.2585	0.8577	0.8701

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.2237	0.4915	0.7152	0.6622
Second interim	0.3385	0.4609	0.7994	0.7531
Third interim	0.3351	0.5503	0.8854	0.9584
Final	0.3119	0.4448	0.7567	0.7488

Financial statements and notes

22 Events after the balance sheet date

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 10 July 2025 has been used.

Investment objective

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

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

Investment policy

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

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

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

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

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

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

Investment approach

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

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

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

Authorised Corporate Director's Report

Benchmark

SONIA + 5%

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

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

Risk profile

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

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



The above number:

- is based on the rate at which the value of the fund has moved up and down in the past and is based on historical data so may not be a reliable indicator of the future risk profile of the fund.
- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has changed during this period. From 1 November 2024 to 27 July 2025 the risk number was 5.

Investment review

For the year ended 31 October 2025

Performance against objective

Over the review period, the M&G Episode Allocation Fund produced a positive total return (the combination of capital growth and income) and was ahead of its benchmark*, the Sterling Overnight Index Average (SONIA) + 5.0%, across all of its share classes. The benchmark returned 9.7% over the period. SONIA reflects the average interest rate that banks pay to borrow sterling overnight from other financial institutions.

Over five years, the fund produced a positive return and was ahead of its benchmark, which delivered an annualised five-year return of 8.2% over the period. Therefore the fund met its objective to deliver a total return (the combination of capital growth and income) of at least 5% per annum above the Sterling Overnight Index Average (SONIA), before any charges are taken, over any five-year period.

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

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

Performance review

Stockmarkets around the world performed very strongly in the 12-month period to 31 October 2025. This was despite a significant market correction in early April 2025, when US President Donald Trump announced sweeping trade tariffs, which were more severe than expected. However, markets soon recovered their composure and rallied sharply, when the president announced a 90-day suspension in the tariffs. Subsequent trade agreements between the US and other countries, further reduced worries about potential trade disruption, providing further impetus to markets. As the year progressed, market gains were fuelled by strong corporate earnings, interest rate cuts, and continued enthusiasm around artificial intelligence (AI) and technology innovation.

Authorised Corporate Director's Report

Fixed income returns were more measured, but were nevertheless positive. US Treasuries and UK gilts recorded small positive total returns, but long-dated German bunds lost value. Credit spreads on investment grade and high yield corporate bonds, widened in the first few months of 2025, as expectations of rate cuts in 2025 were reined in. (Credit spread is a measure of the difference between the yield of a corporate bond and a government bond of the same maturity.) However, credit spreads ended the period lower, underscoring investors' increased risk appetite. Tightening spreads and higher yields meant that corporate bonds outpaced developed market sovereign bonds. Emerging market bonds also performed well.

In currency markets, the Japanese yen weakened against other major currencies, while the UK pound strengthened against the US dollar, but weakened against the euro.

Against this backdrop the fund recorded a strong positive return and outperformed its benchmark, with its allocation to equities the main driver of fund returns. Our preference for non-US markets was beneficial, with holdings in Europe, the UK, Asia ex-Japan (particularly Korea and China), Japan, Mexico and Brazil making significant contributions to performance.

In fixed income, the fund's holdings in long-dated UK gilts, corporate bonds and emerging market sovereign bonds in South Africa and Brazil recorded strong gains. However, the fund's holdings in long-dated US Treasuries cost some performance.

Holdings of cash and currency exposure overall also supported performance.

Investment activities

In December 2024, we responded to Brazilian asset price weakness by beginning a new position in Brazilian equities (we set an allocation target of 2%) and increasing our target exposure to the Brazilian real from 2% to 4%. Brazilian equities looked attractively valued to us and the new position broadened the fund's non-US equity exposure.

Early in the first quarter of 2025, in response to a significant rise in UK government bond yields, we increased the fund's target weighting in 30-year UK gilts from 8% to 13%. The rise in yields from the start of December 2024 represented a significant valuation improvement in our view, with the price action becoming more 'episodic' ahead of our investment. The investment was funded from cash and cash equivalents.

In April, we cut our exposure to Mexican shares from 3% to a new target of 2% and closed the fund's 2% position in long-dated Mexican government bonds, as we had accumulated outsized positions after the 2024 episodic action at the time of the Mexican election. We also cut our exposure to the Mexican peso from 5% to a new target of 2% and we raised US dollar exposure from 4.5% to a new target of 7.5%.

In August, we increased our target weight in 30-year UK gilts from 13% to 16% and initiated a new position in 30-year German bunds with a target weight of 3%. The changes increased the duration (interest rate risk positioning) of the fund by around one year. Our investment was in response to a bout of weakness in long-dated developed market government bonds. The UK and Germany were both particularly affected and the moves felt behavioural to us.

At the end of October, we reduced the fund's overall equity exposure taking the target weighting from 44.5% to 40.0%, by trimming holdings in Korea, Brazil, Mexico, Germany, the UK, Spain and a Euro Stoxx 50 tracker which had performed strongly. Currency positions were adjusted, with a reduction in exposure to the Brazilian real and Mexican peso and an increase in exposure to the US dollar.

Outlook

Although equity valuations overall are expensive, they are not yet extreme, and we are yet to see signs of euphoria, so we retain our neutral view on equities overall. However, we did reduce the fund's overall equity exposure at the end of the review period. We retain our preference for non-US equities versus US equities.

Authorised Corporate Director's Report

We maintain a positive view on developed market government bonds, especially long-dated bonds. The recent aversion to bonds appears rooted in ongoing concerns around fiscal deficits as well as the negative experience of holding bonds of late, rather than an objective assessment of the fundamentals, reinforcing our conviction in their value and diversification benefits. Even if yields stabilise at current levels, the income generated remains compelling, particularly for an asset class that could offer diversification during periods of market stress.

Credit spreads on corporate bonds remain near historic lows, implying low default risk despite an environment of higher funding costs and economic uncertainty. From these levels, compensation for an ongoing benign environment is now very modest. We remain cautious and will continue to monitor default rates closely given the level of complacency reflected in current valuations.

Emerging market local currency bonds remain attractive, in our view, despite recent strong performance and still offer attractive yields. The asset class continues to be supported by a monetary easing bias among emerging market central banks, stable inflation and currency appreciation as a result of the ongoing shift away from US dollar assets. Better economic conditions in emerging markets are also helping to improve their credit ratings.

Tony Finding and Stuart Canning

Co-fund managers

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

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

Portfolio statement

Investments

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Collective investment schemes	158,977	50.27	55.67
M&G funds^a	21,487	6.79	9.11
1,826,227 M&G Recovery Fund	9,588	3.03	
72,210 M&G Total Return Credit Investment Fund	11,899	3.76	
Other funds	137,490	43.48	46.56
36,301 Amundi Core EURO STOXX 50 UCITS ETF	4,764	1.51	
1,282,810 Amundi Core FTSE 100 Swap UCITS ETF	22,275	7.04	
756,604 Amundi Core MSCI Japan UCITS ETF	12,820	4.05	
308,808 Amundi Core S&P 500 Swap UCITS ETF	16,695	5.28	
80,442 Amundi MSCI Korea UCITS ETF	6,449	2.04	
134,954 HSBC MSCI Indonesia UCITS ETF	6,422	2.03	
173,211 iShares Core GBP Corp. Bond UCITS ETF	21,463	6.79	
164,908 iShares Core MSCI World UCITS ETF	16,274	5.15	
169,509 iShares MSCI Brazil UCITS ETF	3,177	1.01	
80,876 iShares USD High Yield Corp. Bond UCITS ETF	6,016	1.90	
23,984 Xtrackers DAX UCITS ETF	4,766	1.51	
128,844 Xtrackers FTSE MIB UCITS ETF	4,781	1.51	
539,526 Xtrackers MSCI Mexico UCITS ETF	3,174	1.00	
2,097,743 Xtrackers MSCI Singapore UCITS ETF	3,660	1.16	
107,793 Xtrackers Spain UCITS ETF	4,754	1.50	
Equities	160	0.05	0.00
1,246,395 Home ^b	160	0.05	
Fixed income	122,979	38.88	37.04
BRL46,500,000 Brazil Notas do Tesouro Nacional 10% 01/01/2029	6,086	1.92	
ZAR155,000,000 Republic of South Africa Government Bonds 8.5% 31/01/2037	6,407	2.03	
GBP63,800,000 U.K. Gilts 3.75% 22/10/2053	50,245	15.89	
GBP26,000,000 U.K. Treasury Bills 0% 17/11/2025	25,960	8.21	
GBP18,000,000 U.K. Treasury Bills 0% 23/03/2026	17,729	5.60	
GBP8,500,000 U.K. Treasury Bills 0% 07/04/2026	8,359	2.64	
USD16,800,000 U.S. Treasury Inflation-Indexed Bonds 0.125% 15/02/2052	8,193	2.59	

Portfolio statement

Investments (continued)

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Derivatives	1,275	0.40	(0.69)
Forwards	68	0.02	0.04
Bought EUR8,691,328 for GBP7,679,892 Settlement 30/01/2026	15	0.00	
Bought KRW5,117,061,876 for USD3,580,925 Settlement 04/12/2025	7	0.00	
Bought USD13,037,707 for GBP9,904,965 Settlement 30/01/2026	25	0.01	
Bought USD16,036,602 for KRW22,451,786,552 Settlement 04/12/2025	216	0.07	
Sold EUR31,399,765 for GBP27,775,196 Settlement 30/01/2026	(23)	(0.01)	
Sold JPY751,723,932 for GBP3,769,928 Settlement 30/01/2026	23	0.01	
Sold SGD3,212,143 for GBP1,889,742 Settlement 30/01/2026	(3)	0.00	
Sold USD46,414,746 for GBP35,161,089 Settlement 30/01/2026	(192)	(0.06)	
Futures	1,207	0.38	(0.73)
89 Eurex 30 Year Euro BUXL Futures Dec 2025	336	0.10	
105 HKG Hang Seng China Enterprises Index Futures Nov 2025	(156)	(0.05)	
39 HKG Hang Seng Index Futures Nov 2025	(104)	(0.03)	
337 Ultra U.S. Treasury Bond Futures Dec 2025	1,131	0.36	
Total portfolio	283,391	89.60	92.02
Net other assets/(liabilities)	32,881	10.40	7.98
Net assets attributable to shareholders	316,272	100.00	100.00

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

The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

^a Related party.

^b Suspended/delisted.

Portfolio statement

Top ten portfolio transactions for the year to 31 October 2025

Largest purchases	£'000
U.K. Gilts 3.75% 22/10/2053	32,576
U.K. Treasury Bills 0% 17/11/2025	25,731
U.K. Treasury Bills 0% 18/08/2025	25,240
U.K. Treasury Bills 0% 29/09/2025	23,781
U.K. Treasury Bills 0% 14/07/2025	23,378
U.K. Treasury Bills 0% 22/04/2025	22,967
U.K. Treasury Bills 0% 27/05/2025	21,248
U.K. Treasury Bills 0% 23/03/2026	17,648
U.K. Treasury Bills 0% 07/04/2026	8,343
Amundi Core FTSE 100 Swap UCITS ETF	6,975
Other purchases	50,736
Total purchases	258,623

Largest sales	£'000
U.K. Treasury Bills 0% 18/08/2025	25,489
U.K. Treasury Bills 0% 29/09/2025	23,967
U.K. Treasury Bills 0% 14/07/2025	23,606
U.K. Treasury Bills 0% 22/04/2025	23,385
U.K. Treasury Bills 0% 27/05/2025	21,687
U.K. Treasury Bills 0% 16/12/2024	21,246
U.K. Treasury Bills 0% 20/01/2025	16,957
U.K. Treasury Bills 0% 31/03/2025	9,403
Xtrackers MSCI Mexico UCITS ETF	7,694
U.K. Treasury Bills 0% 20/10/2025	5,997
Other sales	42,198
Total sales	221,629

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+13.5	+11.3	+8.4	+5.1
Class 'A' Accumulation	+13.5	+11.3	+8.4	+5.1
Class 'I' Income	+13.9	+11.7	+8.7	+5.6
Class 'I' Accumulation	+13.9	+11.7	+8.7	+5.6
Class 'PP' Income	+14.0	+11.8	+8.8	n/a
Class 'PP' Accumulation	+14.0	+11.7	+8.8	n/a
Class 'R' Income	+13.7	+11.4	+8.5	+5.4
Class 'R' Accumulation	+13.7	+11.4	+8.5	+5.4
Benchmark	+9.7	+10.0	+8.2	+6.9

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 16 February 2007.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	144.97	131.66	129.10
Return before operating charges*	20.83	20.66	9.21
Operating charges	(1.56)	(1.52)	(1.44)
Return after operating charges*	19.27	19.14	7.77
Distributions	(5.53)	(5.83)	(5.21)
Closing NAV	158.71	144.97	131.66
*after direct transaction cost of	0.02	0.03	0.01
Performance			
Return after charges (%)	13.29	14.54	6.02
Other information			
Closing NAV (£'000)	32,655	26,487	24,260
Number of shares	20,574,466	18,270,735	18,426,940
Operating charges (%)	1.05	1.05	1.05
Direct transaction costs (%)	0.01	0.02	0.01
Prices			
Highest share price (UK p)	161.17	149.88	142.85
Lowest share price (UK p)	137.36	131.79	129.00

Sterling Class 'A' Accumulation shares

The share class was launched on 16 February 2007.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	225.55	196.79	185.79
Return before operating charges*	33.03	31.06	13.10
Operating charges	(2.46)	(2.30)	(2.10)
Return after operating charges*	30.57	28.76	11.00
Distributions	(6.28)	(6.56)	(5.53)
Retained distributions	6.28	6.56	5.53
Closing NAV	256.12	225.55	196.79
*after direct transaction cost of	0.03	0.04	0.02
Performance			
Return after charges (%)	13.55	14.61	5.92
Other information			
Closing NAV (£'000)	43,780	37,867	32,837
Number of shares	17,093,405	16,788,263	16,686,718
Operating charges (%)	1.05	1.05	1.05
Direct transaction costs (%)	0.01	0.02	0.01
Prices			
Highest share price (UK p)	257.22	230.40	208.54
Lowest share price (UK p)	215.49	196.33	185.63

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	1,411.54	1,276.78	1,246.97
Return before operating charges*	202.22	199.36	87.79
Operating charges	(9.42)	(9.12)	(8.64)
Return after operating charges*	192.80	190.24	79.15
Distributions	(52.87)	(55.48)	(49.34)
Closing NAV	1,551.47	1,411.54	1,276.78
*after direct transaction cost of	0.16	0.27	0.13
Performance			
Return after charges (%)	13.66	14.90	6.35
Other information			
Closing NAV (£'000)	14,901	13,808	13,073
Number of shares	960,456	978,236	1,023,888
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.01	0.02	0.01
Prices			
Highest share price (UK p)	1,575.13	1,458.69	1,383.60
Lowest share price (UK p)	1,339.54	1,278.05	1,246.03

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	1,899.46	1,651.93	1,554.59
Return before operating charges*	277.17	259.48	108.23
Operating charges	(12.83)	(11.95)	(10.89)
Return after operating charges*	264.34	247.53	97.34
Distributions	(59.34)	(61.09)	(51.77)
Retained distributions	59.34	61.09	51.77
Closing NAV	2,163.80	1,899.46	1,651.93
*after direct transaction cost of	0.21	0.35	0.17
Performance			
Return after charges (%)	13.92	14.98	6.26
Other information			
Closing NAV (£'000)	159,856	138,791	123,225
Number of shares	7,387,781	7,306,833	7,459,472
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.01	0.02	0.01
Prices			
Highest share price (UK p)	2,173.01	1,939.76	1,749.15
Lowest share price (UK p)	1,817.29	1,648.03	1,553.23

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	107.49	97.13	94.77
Return before operating charges*	15.41	15.16	6.65
Operating charges	(0.61)	(0.59)	(0.56)
Return after operating charges*	14.80	14.57	6.09
Distributions	(3.86)	(4.21)	(3.73)
Closing NAV	118.43	107.49	97.13
*after direct transaction cost of	0.01	0.02	0.01
Performance			
Return after charges (%)	13.77	15.00	6.43
Other information			
Closing NAV (£'000)	461	96	89
Number of shares	388,941	89,007	91,465
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.01	0.02	0.01
Prices			
Highest share price (UK p)	120.23	111.07	105.22
Lowest share price (UK p)	102.19	97.23	94.70

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	123.24	107.10	100.70
Return before operating charges*	17.93	16.80	7.00
Operating charges	(0.71)	(0.66)	(0.60)
Return after operating charges*	17.22	16.14	6.40
Distributions	(3.79)	(4.07)	(3.44)
Retained distributions	3.79	4.07	3.44
Closing NAV	140.46	123.24	107.10
*after direct transaction cost of	0.01	0.02	0.01
Performance			
Return after charges (%)	13.97	15.07	6.36
Other information			
Closing NAV (£'000)	57,597	6,111	4,669
Number of shares	41,007,052	4,959,048	4,359,639
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.01	0.02	0.01
Prices			
Highest share price (UK p)	141.05	125.84	113.37
Lowest share price (UK p)	117.91	106.80	100.60

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	137.23	124.44	121.84
Return before operating charges*	19.71	19.50	8.65
Operating charges	(1.27)	(1.23)	(1.17)
Return after operating charges*	18.44	18.27	7.48
Distributions	(5.17)	(5.48)	(4.88)
Closing NAV	150.50	137.23	124.44
*after direct transaction cost of	0.02	0.03	0.01
Performance			
Return after charges (%)	13.44	14.68	6.14
Other information			
Closing NAV (£'000)	2,182	1,845	1,841
Number of shares	1,450,207	1,344,760	1,478,771
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.01	0.02	0.01
Prices			
Highest share price (UK p)	152.81	141.85	134.95
Lowest share price (UK p)	130.13	124.56	121.74

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	185.64	161.77	152.55
Return before operating charges*	27.15	25.49	10.70
Operating charges	(1.74)	(1.62)	(1.48)
Return after operating charges*	25.41	23.87	9.22
Distributions	(5.33)	(5.62)	(4.74)
Retained distributions	5.33	5.62	4.74
Closing NAV	211.05	185.64	161.77
*after direct transaction cost of	0.02	0.03	0.02
Performance			
Return after charges (%)	13.69	14.76	6.04
Other information			
Closing NAV (£'000)	4,840	3,092	2,896
Number of shares	2,293,054	1,665,787	1,790,214
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.01	0.02	0.01
Prices			
Highest share price (UK p)	211.95	189.61	171.38
Lowest share price (UK p)	177.45	161.39	152.41

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 October	Note	2025		2024	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		29,962		22,896
Revenue	5	12,064		10,172	
Expenses	6	(2,127)		(1,717)	
Interest payable and similar charges		(17)		(7)	
Net revenue/(expense) before taxation		9,920		8,448	
Taxation	7	(1,378)		(1,211)	
Net revenue/(expense) after taxation			8,542		7,237
Total return before distributions			38,504		30,133
Distributions	8		(8,970)		(7,627)
Change in net assets attributable to shareholders from investment activities			29,534		22,506

Statement of change in net assets attributable to shareholders

for the year to 31 October	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		228,097		202,890
Amounts received on issue of shares		26,578		18,542
Amounts paid on cancellation of shares		(46,036)		(21,780)
Transfer from M&G Sustainable Multi Asset Balanced Fund and M&G Sustainable Multi Asset Cautious Fund		70,904		0
			51,446	(3,238)
Dilution adjustments		2		11
Change in net assets attributable to shareholders from investment activities (see above)		29,534		22,506
Retained distributions on Accumulation shares			7,193	5,928
Closing net assets attributable to shareholders		316,272		228,097

Financial statements and notes

Financial statements

Balance sheet

as at 31 October	Note	2025 £'000	2024 £'000
Assets			
Fixed assets			
Investments		283,869	211,666
Current assets			
Debtors	9	34,398	873
Cash and bank balances	10	8,165	9,577
Cash equivalents		7,710	9,452
Total assets		334,142	231,568
Liabilities			
Investment liabilities		(478)	(1,760)
Creditors			
Bank overdrafts		(81)	0
Overdrawn positions at futures clearing houses and collateral manager		(52)	0
Distribution payable		(557)	(510)
Other creditors	11	(16,702)	(1,201)
Total liabilities		(17,870)	(3,471)
Net assets attributable to shareholders		316,272	228,097

Financial statements and notes

Notes to the financial statements

1 Accounting policies

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

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2025 £'000	2024 £'000
Non-derivative securities	28,100	14,649
Derivative contracts	2,185	8,742
Currency gains/(losses)	(349)	(534)
Rebate of ongoing charges from underlying funds taken to capital	26	39
Net capital gains/(losses)	29,962	22,896

Includes realised gains of £7,383,000 and unrealised gains of £22,553,000 (2024: realised gains of £12,716,000 and unrealised gains of £10,141,000). Certain realised gains and losses in the current year were unrealised in the prior year.

Financial statements and notes

4 Portfolio transactions and associated costs

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

for the year to 31 October	2025 £'000	% of transaction	2024 £'000	% of transaction
a) Purchases				
Debt securities	218,781		141,355	
Collective investment schemes				
Collective investment schemes before transaction costs	39,830		53,331	
Commissions	12	0.03	17	0.03
Collective investment schemes after transaction costs	39,842		53,348	
Total purchases after transaction costs	258,623		194,703	
b) Sales				
Debt securities	183,444		124,496	
Collective investment schemes				
Collective investment schemes before transaction costs	38,192		57,355	
Commissions	(7)	0.02	(17)	0.03
Collective investment schemes after transaction costs	38,185		57,338	
Total sales after transaction costs	221,629		181,834	
	2025 £'000	% of average NAV	2024 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Collective investment schemes	19	0.01	34	0.02
Derivatives	5	0.00	4	0.00
Total commissions paid	24	0.01	38	0.02
Taxes and other fees paid				
Derivatives	7	0.00	6	0.00
Total direct portfolio transaction costs	31	0.01	44	0.02
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.07		0.08

Financial statements and notes

5 Revenue

for the year to 31 October	2025 £'000	2024 £'000
Bank interest	43	29
Derivative revenue	255	115
Distributions from collective investment schemes: non-taxable	3,055	2,431
Distributions from collective investment schemes: taxable	1,869	2,399
Interest distributions	374	442
Interest on debt securities	6,064	4,441
Management charge rebates	66	71
Rebate of ongoing charges from underlying funds	338	244
Total revenue	12,064	10,172

6 Expenses

for the year to 31 October	2025 £'000	2024 £'000
Payable to the ACD or associate		
Annual charge	2,127	1,717
Total expenses	2,127	1,717

Audit fees for the financial year ending 2025 were £13,000 (2024: £13,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 October	2025 £'000	2024 £'000
a) Analysis of charge in the year		
Corporation tax	1,378	1,223
Withholding tax	0	0
Deferred tax (note 7c)	0	(12)
Total taxation	1,378	1,211
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	9,920	8,448
Corporation tax at 20%	1,984	1,690
Effects of:		
Tax on management charge rebates taken to capital	5	8
Revenue: non-taxable	(611)	(487)
Total tax charge (note 7a)	1,378	1,211
c) Provision for deferred taxation		
Provision at the start of the year	0	12
Deferred tax in profit and loss account (note 7a)	0	(12)
Provision at the end of the year	0	0

The fund has not recognised a deferred tax asset in the current financial year (2024: same).

Financial statements and notes

8 Distributions

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

for the year to 31 October	2025		2024	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Dividend distributions				
First interim	371	1,504	343	1,126
Second interim	348	1,380	327	1,070
Third interim	442	1,870	508	1,875
Final	557	2,439	510	1,857
Total net distributions		8,911		7,616
Income deducted on cancellation of shares		181		100
Income received on issue of shares		(122)		(89)
Distributions		8,970		7,627
Net revenue/(expense) per statement of total return		8,542		7,237
Expenses offset against capital		424		384
Sharing of relief between classes		4		6
Distributions		8,970		7,627

9 Debtors

as at 31 October	2025 £'000	2024 £'000
Amounts receivable on issues of shares	822	333
Currency deals outstanding	15,316	0
Debt security interest receivable	431	484
Distributions receivable	28	44
Management charge rebates due	3	0
Rebate of ongoing charges from underlying funds	19	12
Sales awaiting settlement	17,753	0
Withholding tax recoverable	26	0
Total debtors	34,398	873

10 Cash and bank balances

as at 31 October	2025 £'000	2024 £'000
Amounts held at futures clearing houses and collateral manager	4,429	6,830
Cash held as bank balances	3,736	2,747
Total cash and bank balances	8,165	9,577

Financial statements and notes

11 Other creditors

as at 31 October	2025 £'000	2024 £'000
Amounts payable on cancellation of shares	321	469
Amounts payable to M&G Securities Limited	179	0
Annual charge payable	113	89
Corporation tax payable	741	643
Currency deals outstanding	15,348	0
Total other creditors	16,702	1,201

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

13 Shares in issue

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

Share class	Opening 01.11.24	Issued	Movements Cancelled	Converted	Closing 31.10.25
Sterling					
Class 'A' Income	18,270,735	3,923,923	(1,620,192)	0	20,574,466
Class 'A' Accumulation	16,788,263	2,787,331	(2,482,189)	0	17,093,405
Class 'I' Income	978,236	131,543	(149,323)	0	960,456
Class 'I' Accumulation	7,306,833	848,514	(767,566)	0	7,387,781
Class 'PP' Income	89,007	354,136	(54,202)	0	388,941
Class 'PP' Accumulation	4,959,048	51,815,777	(15,767,773)	0	41,007,052
Class 'R' Income	1,344,760	361,158	(255,711)	0	1,450,207
Class 'R' Accumulation	1,665,787	918,103	(290,836)	0	2,293,054

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

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14 Charging structure

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

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

15 Related parties

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

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

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

During the year, there were transactions in shares in related parties of M&G Securities Limited with a total value of £2,150,000 (2024: £2,306,000).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £21,487,000 (2024: £20,757,000).

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 17.45% (2024: 28.29%) of the fund's shares.

16 Fair value analysis

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

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

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

Financial statements and notes

Level 2: Valuation technique using observable market data

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

Level 3: Valuation technique using unobservable inputs

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

as at 31 October	Assets 2025 £'000	Liabilities 2025 £'000	Assets 2024 £'000	Liabilities 2024 £'000
Level 1	249,443	(260)	177,110	(1,651)
Level 2	34,266	(218)	34,556	(109)
Level 3	160	0	0	0
	283,869	(478)	211,666	(1,760)

Level 3 assets comprise solely of Home which is held at a discount to estimated NAV.

17 Risk management policies

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

18 Market risk sensitivity and exposure

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

The VaR limit set during the financial year to 31 October 2025 was 20% (2024: 20%).

The lowest, highest and average utilisation of VaR with reference to the limit above are calculated during the financial years ended 31 October 2025 and 31 October 2024.

for the year to 31 October	2025 Utilisation of VaR 20%	2024 Utilisation of VaR 20%
Lowest	21.15	25.30
Highest	31.95	29.75
Average	25.87	26.80

Financial statements and notes

19 Credit risk

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

as at 31 October	2025 £'000	2024 £'000
Investment grade securities	110,486	75,087
Below investment grade securities	12,493	9,409
Other investments	160,412	125,410
Total	283,391	209,906

The credit ratings are provided by S&P, followed by Moody's, and finally Fitch.

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

as at 31 October 2025	Forwards £'000	Futures £'000
Bank of America Merrill Lynch	0	1,207
Barclays Bank	(23)	0
BNP Paribas	15	0
Citigroup	189	0
JPMorgan	(192)	0
Royal Bank of Canada	31	0
UBS	48	0
Total	68	1,207

At the balance sheet date £260,000 (2024: £1,350,000) of cash collateral was held by the fund in respect of forward currency contracts.

as at 31 October 2024	Forwards £'000	Futures £'000
Bank of America Merrill Lynch	0	(1,651)
Citigroup	176	0
State Street Bank	(78)	0
UBS	(12)	0
Total	86	(1,651)

20 Leverage risk

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

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

Financial statements and notes

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2025 and 31 October 2024 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2025 £'000	2025 %	2024 £'000	2024 %
Lowest	293,551	115.00	297,887	130.00
Highest	613,705	193.00	551,873	246.00
Average	396,488	135.89	369,516	164.07

21 Dividend distribution tables

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

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.11.24	31.01.25	03.02.25	31.03.25
Second interim	01.02.25	30.04.25	01.05.25	30.06.25
Third interim	01.05.25	31.07.25	01.08.25	30.09.25
Final	01.08.25	31.10.25	03.11.25	31.12.25

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

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

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

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
First interim	0.7094	0.5070	1.2164	1.1760
Second interim	0.4937	0.6213	1.1150	1.1225
Third interim	0.7215	0.7052	1.4267	1.7662
Final	0.6623	1.1082	1.7705	1.7609

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Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.9454	0.3629	1.3083	1.2243
Second interim	0.5745	0.5877	1.1622	1.1335
Third interim	0.8065	0.8300	1.6365	2.0980
Final	0.4486	1.7264	2.1750	2.1090

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	5.7337	5.9367	11.6704	11.1246
Second interim	4.7326	5.8582	10.5908	10.6258
Third interim	9.3354	4.2982	13.6336	16.8841
Final	3.3537	13.6236	16.9773	16.8441

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	8.3939	4.1976	12.5915	11.6919
Second interim	5.1848	6.1226	11.3074	10.9579
Third interim	8.1775	7.2273	15.4048	19.1518
Final	5.0027	15.0332	20.0359	19.2900

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.6690	0.0681	0.7371	0.8486
Second interim	0.2958	0.5069	0.8027	0.8034
Third interim	0.5345	0.5002	1.0347	1.2800
Final	0.1138	1.1764	1.2902	1.2771

Financial statements and notes

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.6464	0.0283	0.6747	0.7978
Second interim	0.1607	0.5968	0.7575	0.7338
Third interim	0.6742	0.3512	1.0254	1.2666
Final	0.2097	1.1179	1.3276	1.2764

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.8526	0.2590	1.1116	1.1086
Second interim	0.3721	0.6739	1.0460	1.0515
Third interim	0.6679	0.6737	1.3416	1.6604
Final	0.8048	0.8617	1.6665	1.6558

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.8660	0.1958	1.0618	1.0584
Second interim	0.5586	0.4536	1.0122	0.9848
Third interim	0.9327	0.4735	1.4062	1.7812
Final	0.2365	1.6165	1.8530	1.7918

22 Events after the balance sheet date

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 10 July 2025 has been used.

Investment objective

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

Investment policy

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

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

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

Investment approach

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

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

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

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

Benchmark

IA Mixed Investment 40-85% shares sector

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

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

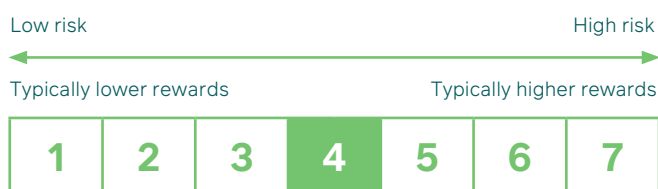
For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

Authorised Corporate Director's Report

Risk profile

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

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



The above number:

- is based on the rate at which the value of the fund has moved up and down in the past and is based on historical data so may not be a reliable indicator of the future risk profile of the fund.
- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has changed during this period. From 1 November 2024 to 27 July 2025 the risk number was 5.

Investment review

For the year ended 31 October 2025

Performance against objective

Over the review period, the M&G Episode Growth Fund produced a positive total return (the combination of income and growth of capital) across all its share classes and was ahead of its benchmark, the IA Mixed Investment 40-85% Shares Sector, which had a return of 13.0%.

Over five years, the fund produced a positive return, and outperformed its benchmark*, which delivered an annualised return of 7.4%, across all its share classes. The fund therefore met its objective of providing a higher total return, net of the ongoing charge figure, than the average return of the IA Mixed Investment 40-85% Shares Sector over any five-year period.

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

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

Performance review

Stockmarkets around the world performed very strongly in the 12-month period to 31 October 2025. This was despite a significant market correction in early April 2025, when US President Donald Trump announced sweeping trade tariffs, which were more severe than expected. However, markets soon recovered their composure and rallied sharply, when the president announced a 90-day suspension in the tariffs. Subsequent trade agreements between the US and other countries, further reduced worries about potential trade disruption, providing further impetus to markets. As the year progressed, market gains were fuelled by strong corporate earnings, interest rate cuts, and continued enthusiasm around artificial intelligence (AI) and technology innovation.

Fixed income returns were more measured, but were nevertheless positive. US Treasuries and UK gilts recorded small positive total returns, but long-dated German bunds lost value. Credit spreads on investment grade and high yield corporate bonds, widened in the first few months of 2025, as hopes of rate cuts in 2025 faded. (Credit spread is a measure of the difference between the yield of a corporate bond and a government bond of the same maturity.) However, credit spreads ended the period tighter, underscoring investors' increased risk appetite. Tightening spreads and higher yields meant that corporate bonds outpaced developed market sovereign bonds. Emerging market bonds also performed well.

In currency markets, the Japanese yen weakened against other major currencies, while the UK pound strengthened against the US dollar, but weakened against the euro.

Authorised Corporate Director's Report

Against this backdrop the fund recorded a strong positive return and outperformed its benchmark, with its allocation to equities the main driver of fund returns. Our preference for non-US markets was beneficial, with holdings in Europe, the UK, Asia ex Japan, Japan, Mexico and Brazil making significant contributions to performance. The fund's holding in a MSCI World ETF contributed to returns as well.

In fixed income, the fund's holdings in long-dated UK gilts, corporate bonds and emerging market sovereign bonds in South Africa recorded strong gains. The fund's holdings in long-dated US Treasuries cost some performance, but acted as a useful diversifier against equities at certain phases during 2025. Holdings of cash and currency exposure overall also supported performance.

Holdings of cash and currency exposure overall also supported performance.

Investment activities

In December 2024, we responded to correlated Brazilian asset price weakness by beginning a new position in Brazilian equities (we set an allocation target of 2%). We also increased our target exposure to the Brazilian real from 2% to 4%. Brazilian equities looked attractively valued to us and the new position broadened the fund's non-US equity exposure.

We started a new position in 30-year UK government bonds in January 2025, with a 5% target, as the yield had risen sharply since the start of December, in a significant valuation improvement. We saw the price action as becoming more episodic and UK-centric, therefore an opportunity to buy. By contrast, we lowered our UK investment grade corporate bonds target from 9% to 7%.

In April, we cut our exposure to Mexican shares from 3% to a new target of 2% and to the Mexican peso from 5% to a new target of 2%, locking in some profit, having increased the position after the 2024 episodic action at the time of the Mexican election. We increased US dollar exposure from 22% to a new target of 23% and our sterling exposure from 54% to a new target of 56%.

We rebalanced our UK equity exposure in June, trimming a position in the M&G Smaller Companies Fund and adding to our holding in a FTSE 100 ETF.

In mid-August, we increased our target weight in 30-year UK gilts from 5% to 7% and initiated a new position in 30-year German bunds with a target weight of 2%. Our investment was in response to a bout of weakness in long-dated developed market government bonds. The UK and Germany were both particularly affected and the moves felt behavioural to us. At the same time we trimmed a position in a UK corporate bond ETF from 7% to 5%.

At the end of October, we reduced the fund's overall equity exposure taking the target weighting from 72% to 70%, by trimming holdings by 1% in Brazil and Mexico. Currency positions were adjusted, with a reduction in exposure to the Brazilian real and Mexican peso and an increase in exposure to the US dollar and UK pound.

Outlook

Although equity valuations overall are expensive, we think they are not yet extreme, and we are yet to see signs of euphoria, so we retain our neutral view on equities overall. However, we did reduce the fund's overall equity exposure at the end of the review period. We retain our preference for non-US equities versus US equities.

We maintain a positive view on developed market government bonds, especially long-dated bonds. The recent aversion to bonds appears rooted in ongoing concerns around fiscal deficits as well as the negative experience of holding bonds of late, rather than an objective assessment of the fundamentals, reinforcing our conviction in their value and diversification benefits. Even if yields stabilise at current levels, the income generated remains compelling, particularly for an asset class that could offer diversification during periods of market stress.

Credit spreads on corporate bonds remain near historic lows, implying low default risk despite an environment of higher funding costs and economic uncertainty. From these levels, compensation for an ongoing benign

Authorised Corporate Director's Report

environment is now very modest. We remain cautious and will continue to monitor default rates closely given the level of complacency reflected in current valuations.

Emerging market local currency bonds remain attractive, in our view, despite recent strong performance and still offer attractive yields. The asset class continues to be supported by a monetary easing bias among emerging market central banks, stable inflation and currency appreciation as a result of the ongoing shift away from US dollar assets. Better economic conditions in emerging markets are also helping to improve their credit ratings.

Craig Simpson and Tony Finding

Co-fund managers

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

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

Portfolio statement

Investments

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Collective investment schemes	738,609	75.31	80.82
M&G funds^a	55,917	5.70	5.64
1,850,016 M&G Asian Fund	39,155	3.99	
4,811,954 M&G Smaller Companies Fund	16,762	1.71	
Other funds	682,692	69.61	75.18
119,844 Amundi Core EURO STOXX 50 UCITS ETF	15,729	1.60	
11,819,936 Amundi Core FTSE 100 Swap UCITS ETF	205,241	20.93	
2,614,284 Amundi Core MSCI Japan UCITS ETF	44,297	4.52	
377,043 iShares Core GBP Corp. Bond UCITS ETF	46,720	4.76	
2,129,422 iShares Core MSCI World UCITS ETF	210,136	21.43	
525,701 iShares MSCI Brazil UCITS ETF	9,852	1.01	
268,386 iShares MSCI EM Asia UCITS ETF	48,967	4.99	
2,347,595 Vanguard FTSE Developed Europe ex U.K. UCITS ETF	91,908	9.37	
1,673,241 Xtrackers MSCI Mexico UCITS ETF	9,842	1.00	
Equities	51	0.00	0.00
397,101 Home ^b	51	0.00	
Fixed income	175,633	17.91	15.39
ZAR209,752,738 Republic of South Africa Government Bonds 8.25% 31/03/2032	9,171	0.94	
ZAR214,428,536 Republic of South Africa Government Bonds 8.875% 28/02/2035	9,413	0.96	
GBP85,700,000 U.K. Gilts 3.75% 22/10/2053	67,492	6.88	
GBP36,000,000 U.K. Treasury Bills 0% 16/03/2026	35,484	3.62	
GBP27,500,000 U.K. Treasury Bills 0% 07/04/2026	27,045	2.76	
GBP27,500,000 U.K. Treasury Bills 0% 13/04/2026	27,028	2.75	
Derivatives	5,403	0.55	(0.71)
Forwards	1,249	0.13	(0.04)
Bought BRL165,051,667 for USD29,398,441 Settlement 16/01/2026	576	0.06	
Bought USD86,393,188 for GBP65,488,097 Settlement 30/01/2026	315	0.03	
Bought USD15,404,947 for TWD462,625,968 Settlement 17/11/2025	269	0.03	
Bought USD8,410,409 for TWD254,885,849 Settlement 28/11/2025	87	0.01	

Portfolio statement

Investments (continued)

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Derivatives (continued)			
Forwards (continued)			
Bought USD14,909,826 for TWD453,602,075 Settlement 08/12/2025	107	0.01	
Sold AUD10,812,953 for GBP5,408,000 Settlement 30/01/2026	15	0.00	
Sold CHF18,650,000 for GBP17,910,021 Settlement 30/01/2026	47	0.00	
Sold EUR11,090,129 for GBP9,809,962 Settlement 30/01/2026	(8)	0.00	
Sold HKD259,338,778 for GBP25,210,988 Settlement 30/01/2026	(237)	(0.02)	
Sold JPY2,591,509,626 for GBP12,996,531 Settlement 30/01/2026	78	0.01	
Futures	4,154	0.42	(0.67)
183 Eurex 30 Year Euro BUXL Futures Dec 2025	690	0.07	
1,032 Ultra U.S. Treasury Bond Futures Dec 2025	3,464	0.35	
Total portfolio	919,696	93.77	95.50
Net other assets/(liabilities)	61,107	6.23	4.50
Net assets attributable to shareholders	980,803	100.00	100.00

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

The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

^a Related party.

^b Suspended/delisted.

Portfolio statement

Top portfolio transactions for the year to 31 October 2025

Purchases	£'000
U.K. Gilts 3.75% 22/10/2053	64,722
U.K. Treasury Bills 0% 29/09/2025	46,035
U.K. Treasury Bills 0% 27/10/2025	43,648
U.K. Treasury Bills 0% 12/05/2025	42,559
U.K. Treasury Bills 0% 16/03/2026	35,327
U.K. Treasury Bills 0% 07/04/2026	27,011
U.K. Treasury Bills 0% 13/04/2026	26,997
iShares MSCI Brazil UCITS ETF	17,808
iShares Core GBP Corp. Bond UCITS ETF	2,717
Total purchases	306,824

Largest sales	£'000
U.K. Treasury Bills 0% 29/09/2025	46,974
U.K. Treasury Bills 0% 24/02/2025	44,639
U.K. Treasury Bills 0% 27/10/2025	44,475
U.K. Treasury Bills 0% 12/05/2025	43,474
U.K. Treasury Bills 0% 07/04/2025	37,972
U.K. Treasury Bills 0% 25/11/2024	33,578
iShares Core GBP Corp. Bond UCITS ETF	32,321
Xtrackers MSCI Mexico UCITS ETF	19,204
iShares Core MSCI World UCITS ETF	15,239
iShares MSCI Brazil UCITS ETF	10,866
Other sales	30,252
Total sales	358,994

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+17.7	+13.6	+10.4	+7.0
Class 'A' Accumulation	+17.7	+13.6	+10.4	+7.0
Class 'C' Income	+18.5	+14.4	+11.3	+8.1
Class 'I' Income	+17.9	+13.8	+10.7	+7.5
Class 'I' Accumulation	+17.9	+13.8	+10.7	+7.5
Class 'PP' Income	+18.0	+13.9	+10.8	n/a
Class 'PP' Accumulation	+18.0	+13.9	+10.8	n/a
Class 'R' Income	+17.7	+13.6	+10.5	+7.3
Class 'R' Accumulation	+17.7	+13.6	+10.5	+7.3
Benchmark	+13.1	+10.4	+7.4	+9.2

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 1 October 2002.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	70.09	61.78	60.11
Return before operating charges*	12.96	11.30	4.41
Operating charges	(0.77)	(0.72)	(0.67)
Return after operating charges*	12.19	10.58	3.74
Distributions	(2.49)	(2.27)	(2.07)
Closing NAV	79.79	70.09	61.78
*after direct transaction cost of	0.00	0.01	0.01
Performance			
Return after charges (%)	17.39	17.13	6.22
Other information			
Closing NAV (£'000)	633,733	582,523	546,487
Number of shares	794,230,788	831,138,855	884,635,517
Operating charges (%)	1.05	1.05	1.05
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest share price (UK p)	80.58	72.54	66.05
Lowest share price (UK p)	65.63	61.71	60.40

Sterling Class 'A' Accumulation shares

The share class was launched on 1 October 2002.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	115.80	98.80	93.11
Return before operating charges*	21.81	18.17	6.74
Operating charges	(1.28)	(1.17)	(1.05)
Return after operating charges*	20.53	17.00	5.69
Distributions	(2.96)	(2.55)	(2.22)
Retained distributions	2.96	2.55	2.22
Closing NAV	136.33	115.80	98.80
*after direct transaction cost of	0.01	0.01	0.01
Performance			
Return after charges (%)	17.73	17.21	6.11
Other information			
Closing NAV (£'000)	60,827	51,663	45,292
Number of shares	44,617,094	44,614,713	45,840,771
Operating charges (%)	1.05	1.05	1.05
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest share price (UK p)	136.81	118.26	102.87
Lowest share price (UK p)	109.28	98.43	93.53

Financial highlights

Sterling Class 'C' Income shares

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

The share class was launched on 16 June 2011.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	83.48	72.86	70.19
Return before operating charges*	15.20	13.08	4.89
Operating charges	0.00	0.00	0.00
Return after operating charges*	15.20	13.08	4.89
Distributions	(2.71)	(2.46)	(2.22)
Closing NAV	95.97	83.48	72.86
*after direct transaction cost of	0.00	0.01	0.01
Performance			
Return after charges (%)	18.21	17.95	6.97
Other information			
Closing NAV (£'000)	29,027	20,063	15,145
Number of shares	30,246,355	24,033,825	20,786,341
Operating charges (%)	0.00	0.00	0.00
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest share price (UK p)	96.84	86.31	77.36
Lowest share price (UK p)	78.45	72.78	70.53

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	1,782.21	1,565.43	1,517.70
Return before operating charges*	325.68	282.65	108.63
Operating charges	(12.07)	(11.32)	(10.48)
Return after operating charges*	313.61	271.33	98.15
Distributions	(59.91)	(54.55)	(50.42)
Closing NAV	2,035.91	1,782.21	1,565.43
*after direct transaction cost of	0.10	0.19	0.17
Performance			
Return after charges (%)	17.60	17.33	6.47
Other information			
Closing NAV (£'000)	57,830	50,929	47,063
Number of shares	2,840,483	2,857,598	3,006,411
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest share price (UK p)	2,055.11	1,843.52	1,669.65
Lowest share price (UK p)	1,670.55	1,563.76	1,524.85

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	2,341.15	1,993.75	1,874.30
Return before operating charges*	435.27	362.01	132.52
Operating charges	(16.06)	(14.61)	(13.07)
Return after operating charges*	419.21	347.40	119.45
Distributions	(63.89)	(56.00)	(49.99)
Retained distributions	63.89	56.00	49.99
Closing NAV	2,760.36	2,341.15	1,993.75
*after direct transaction cost of	0.13	0.25	0.21
Performance			
Return after charges (%)	17.91	17.42	6.37
Other information			
Closing NAV (£'000)	130,364	91,920	62,160
Number of shares	4,722,712	3,926,284	3,117,716
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest share price (UK p)	2,770.55	2,390.27	2,076.10
Lowest share price (UK p)	2,210.56	1,986.25	1,882.99

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	129.73	113.84	110.26
Return before operating charges*	23.69	20.53	7.81
Operating charges	(0.74)	(0.70)	(0.65)
Return after operating charges*	22.95	19.83	7.16
Distributions	(4.33)	(3.94)	(3.58)
Closing NAV	148.35	129.73	113.84
*after direct transaction cost of	0.01	0.01	0.01
Performance			
Return after charges (%)	17.69	17.42	6.49
Other information			
Closing NAV (£'000)	971	797	845
Number of shares	654,679	614,303	741,908
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest share price (UK p)	149.74	134.18	121.33
Lowest share price (UK p)	121.65	113.71	110.78

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	142.20	121.00	113.70
Return before operating charges*	26.42	21.95	7.97
Operating charges	(0.83)	(0.75)	(0.67)
Return after operating charges*	25.59	21.20	7.30
Distributions	(3.97)	(3.53)	(3.09)
Retained distributions	3.97	3.53	3.09
Closing NAV	167.79	142.20	121.00
*after direct transaction cost of	0.01	0.02	0.01
Performance			
Return after charges (%)	18.00	17.52	6.42
Other information			
Closing NAV (£'000)	5,382	1,638	953
Number of shares	3,207,278	1,151,896	787,392
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest share price (UK p)	168.41	145.17	125.98
Lowest share price (UK p)	134.31	120.54	114.24

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	173.70	152.96	148.67
Return before operating charges*	31.78	27.73	10.83
Operating charges	(1.63)	(1.53)	(1.42)
Return after operating charges*	30.15	26.20	9.41
Distributions	(5.92)	(5.46)	(5.12)
Closing NAV	197.93	173.70	152.96
*after direct transaction cost of	0.01	0.02	0.02
Performance			
Return after charges (%)	17.36	17.13	6.33
Other information			
Closing NAV (£'000)	9,305	8,350	8,195
Number of shares	4,701,160	4,807,166	5,357,574
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest share price (UK p)	199.83	179.72	163.43
Lowest share price (UK p)	162.67	152.79	149.36

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	228.91	195.27	183.78
Return before operating charges*	42.62	35.61	13.26
Operating charges	(2.17)	(1.97)	(1.77)
Return after operating charges*	40.45	33.64	11.49
Distributions	(5.76)	(5.10)	(4.63)
Retained distributions	5.76	5.10	4.63
Closing NAV	269.36	228.91	195.27
*after direct transaction cost of	0.01	0.02	0.02
Performance			
Return after charges (%)	17.67	17.23	6.25
Other information			
Closing NAV (£'000)	53,364	48,299	44,441
Number of shares	19,811,622	21,099,709	22,758,916
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest share price (UK p)	270.35	233.73	203.30
Lowest share price (UK p)	215.95	194.53	184.63

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 October	Note	2025		2024	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		128,154		111,201
Revenue	5	30,647		27,947	
Expenses	6	(8,401)		(8,082)	
Interest payable and similar charges		(5)		(10)	
Net revenue/(expense) before taxation		22,241		19,855	
Taxation	7	(120)		(2)	
Net revenue/(expense) after taxation			22,121		19,853
Total return before distributions			150,275		131,054
Distributions	8		(28,454)		(26,141)
Change in net assets attributable to shareholders from investment activities			121,821		104,913

Statement of change in net assets attributable to shareholders

for the year to 31 October	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		856,182		770,581
Amounts received on issue of shares		57,729		49,579
Amounts paid on cancellation of shares		(69,940)		(73,266)
Transfer from M&G Sustainable Multi Asset Growth Fund		9,490		0
		(2,721)		(23,687)
Dilution adjustments		0		24
Change in net assets attributable to shareholders from investment activities (see above)		121,821		104,913
Retained distributions on Accumulation shares		5,509		4,339
Unclaimed distributions		12		12
Closing net assets attributable to shareholders		980,803		856,182

Financial statements and notes

Financial statements

Balance sheet

as at 31 October	Note	2025 £'000	2024 £'000
Assets			
Fixed assets			
Investments		919,941	823,836
Current assets			
Debtors	9	44,206	858
Cash and bank balances	10	6,274	16,971
Cash equivalents		29,049	31,349
Total assets		999,470	873,014
Liabilities			
Investment liabilities		(245)	(6,190)
Creditors			
Overdrawn positions at futures clearing houses and collateral manager		(105)	0
Distribution payable		(4,471)	(8,978)
Other creditors	11	(13,846)	(1,664)
Total liabilities		(18,667)	(16,832)
Net assets attributable to shareholders		980,803	856,182

Financial statements and notes

Notes to the financial statements

1 Accounting policies

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

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2025 £'000	2024 £'000
Non-derivative securities	126,879	103,654
Derivative contracts	360	8,725
Currency gains/(losses)	287	(1,762)
Management charge rebates taken to capital	534	502
Rebate of ongoing charges from underlying funds taken to capital	94	82
Net capital gains/(losses)	128,154	111,201

Includes realised losses of £28,000 and unrealised gains of £127,554,000 (2024: realised gains of £36,418,000 and unrealised gains of £74,199,000). Certain realised gains and losses in the current year were unrealised in the prior year.

Financial statements and notes

4 Portfolio transactions and associated costs

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

for the year to 31 October	2025 £'000	% of transaction	2024 £'000	% of transaction
a) Purchases				
Debt securities	286,299		297,205	
Collective investment schemes				
Collective investment schemes before transaction costs	20,519		122,519	
Commissions	6	0.03	38	0.03
Collective investment schemes after transaction costs	20,525		122,557	
Total purchases after transaction costs	306,824		419,762	
b) Sales				
Debt securities	251,112		343,573	
Collective investment schemes				
Collective investment schemes before transaction costs	107,907		133,968	
Commissions	(25)	0.02	(41)	0.03
Collective investment schemes after transaction costs	107,882		133,927	
Total sales after transaction costs	358,994		477,500	
	2025 £'000	% of average NAV	2024 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Collective investment schemes	31	0.01	79	0.01
Derivatives	6	0.00	6	0.00
Total commissions paid	37	0.01	85	0.01
Taxes and other fees paid				
Derivatives	9	0.00	0	0.00
Total direct portfolio transaction costs	46	0.01	85	0.01
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.05		0.05

Financial statements and notes

5 Revenue

for the year to 31 October	2025 £'000	2024 £'000
Bank interest	112	171
Derivative revenue	605	193
Distributions from collective investment schemes: non-taxable	16,540	15,418
Distributions from collective investment schemes: taxable	3,009	3,496
Dividends from equity investments: non-taxable	126	0
Interest distributions	1,139	443
Interest on debt securities	7,936	7,166
Management charge rebates	12	4
Rebate of ongoing charges from underlying funds	1,168	1,056
Total revenue	30,647	27,947

6 Expenses

for the year to 31 October	2025 £'000	2024 £'000
Payable to the ACD or associate		
Annual charge	8,401	8,082
Total expenses	8,401	8,082

Audit fees for the financial year ending 2025 were £13,000 (2024: £13,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 October	2025 £'000	2024 £'000
a) Analysis of charge in the year		
Corporation tax	120	2
Withholding tax	0	0
Deferred tax (note 7c)	0	0
Total taxation	120	2
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	22,241	19,855
Corporation tax at 20%	4,448	3,971
Effects of:		
Tax on management charge rebates taken to capital	125	117
Revenue: non-taxable	(3,333)	(3,084)
Current year expenses utilised	(1,120)	(1,002)
Total tax charge (note 7a)	120	2
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	0	0

The fund has not recognised a deferred tax asset of £3,520,000 (2024: £4,640,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

Financial statements and notes

8 Distributions

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

for the year to 31 October	2025		2024	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Dividend distributions				
First interim	5,294	1,178	5,935	1,126
Second interim	3,878	760	2,891	507
Third interim	9,261	2,579	3,906	558
Final	4,471	992	8,978	2,148
Total net distributions		28,413		26,049
Income deducted on cancellation of shares		246		301
Income received on issue of shares		(205)		(209)
Distributions		28,454		26,141
Net revenue/(expense) per statement of total return		22,121		19,853
Expenses offset against capital		6,646		6,596
Sharing of relief between classes		(313)		(308)
Distributions		28,454		26,141

9 Debtors

as at 31 October	2025 £'000	2024 £'000
Amounts receivable on issues of shares	375	426
Currency deals outstanding	12,011	0
Debt security interest receivable	285	195
Distributions receivable	112	157
Management charge rebates due	29	26
Rebate of ongoing charges from underlying funds	66	54
Sales awaiting settlement	31,310	0
Withholding tax recoverable	18	0
Total debtors	44,206	858

10 Cash and bank balances

as at 31 October	2025 £'000	2024 £'000
Amounts held at futures clearing houses and collateral manager	560	9,362
Cash held as bank balances	5,714	7,609
Total cash and bank balances	6,274	16,971

Financial statements and notes

11 Other creditors

as at 31 October	2025 £'000	2024 £'000
Amounts payable on cancellation of shares	1,250	1,275
Amounts payable to M&G Securities Limited	58	0
Annual charge payable	443	387
Corporation tax payable	60	2
Currency deals outstanding	12,035	0
Total other creditors	13,846	1,664

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

13 Shares in issue

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

Share class	Opening 01.11.24	Issued	Movements Cancelled	Converted	Closing 31.10.25
Sterling					
Class 'A' Income	831,138,855	24,697,032	(61,605,099)	0	794,230,788
Class 'A' Accumulation	44,614,713	6,829,791	(6,827,410)	0	44,617,094
Class 'C' Income	24,033,825	9,061,014	(2,848,484)	0	30,246,355
Class 'I' Income	2,857,598	227,448	(244,563)	0	2,840,483
Class 'I' Accumulation	3,926,284	1,071,660	(275,232)	0	4,722,712
Class 'PP' Income	614,303	117,001	(76,625)	0	654,679
Class 'PP' Accumulation	1,151,896	3,730,060	(1,674,678)	0	3,207,278
Class 'R' Income	4,807,166	448,461	(554,467)	0	4,701,160
Class 'R' Accumulation	21,099,709	1,192,544	(2,480,631)	0	19,811,622

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

Financial statements and notes

14 Charging structure

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

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

15 Related parties

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

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

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

During the year, there were no transactions in shares in related parties of M&G Securities Limited (2024: £nil).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £55,917,000 (2024: £48,307,000).

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 11.67% (2024: 11.10%) of the fund's shares.

16 Fair value analysis

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

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

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

Financial statements and notes

Level 2: Valuation technique using observable market data

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

Level 3: Valuation technique using unobservable inputs

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

as at 31 October	Assets 2025 £'000	Liabilities 2025 £'000	Assets 2024 £'000	Liabilities 2024 £'000
Level 1	843,895	0	758,628	(5,715)
Level 2	75,995	(245)	65,208	(475)
Level 3	51	0	0	0
	919,941	(245)	823,836	(6,190)

Level 3 assets comprise solely of Home which is held at a discount to estimated NAV.

17 Risk management policies

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

18 Market risk sensitivity and exposure

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

The VaR limit set during the financial year to 31 October 2025 was 20% (2024: 20%).

The lowest, highest and average utilisation of VaR with reference to the limit above are calculated during the financial years ended 31 October 2025 and 31 October 2024.

for the year to 31 October	2025 Utilisation of VaR 20%	2024 Utilisation of VaR 20%
Lowest	24.30	27.90
Highest	38.75	32.00
Average	30.35	29.85

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19 Credit risk

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

as at 31 October	2025 £'000	2024 £'000
Investment grade securities	157,049	114,953
Below investment grade securities	18,584	16,756
Other investments	744,063	685,937
Total	919,696	817,646

The credit ratings are provided by S&P, followed by Moody's, and finally Fitch.

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

as at 31 October 2025	Forwards £'000	Futures £'000
Bank of America Merrill Lynch	0	4,154
Barclays Bank	79	0
Citigroup	339	0
JPMorgan	683	0
Standard Chartered Bank	15	0
UBS	133	0
Total	1,249	4,154

At the balance sheet date £2,004,000 (2024: £2,940,000) of cash collateral was held by the fund in respect of forward currency contracts.

as at 31 October 2024	Forwards £'000	Futures £'000
Bank of America Merrill Lynch	4	(5,715)
Barclays Bank	(188)	0
BNP Paribas	10	0
Citigroup	(48)	0
JPMorgan	(67)	0
Royal Bank of Canada	2	0
State Street Bank	3	0
UBS	(46)	0
Total	(330)	(5,715)

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20 Leverage risk

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

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

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2025 and 31 October 2024 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2025 £'000	2025 %	2024 £'000	2024 %
Lowest	1,031,312	116.00	985,532	118.00
Highest	1,549,251	159.00	1,915,967	225.00
Average	1,145,938	127.74	1,283,323	151.63

21 Dividend distribution tables

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

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.11.24	31.01.25	03.02.25	31.03.25
Second interim	01.02.25	30.04.25	01.05.25	30.06.25
Third interim	01.05.25	31.07.25	01.08.25	30.09.25
Final	01.08.25	31.10.25	03.11.25	31.12.25

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

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

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

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Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.1927	0.3770	0.5697	0.6045
Second interim	0.1177	0.3028	0.4205	0.3003
Third interim	0.6870	0.3222	1.0092	0.4125
Final	0.1116	0.3823	0.4939	0.9540

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.4808	0.1699	0.6507	0.7051
Second interim	0.0887	0.2890	0.3777	0.3070
Third interim	1.0516	0.3695	1.4211	0.2852
Final	0.1270	0.3861	0.5131	1.2481

Sterling Class 'C' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.1764	0.4363	0.6127	0.6520
Second interim	0.1991	0.2380	0.4371	0.3013
Third interim	0.7585	0.3838	1.1423	0.4287
Final	0.2205	0.3014	0.5219	1.0730

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	6.8062	6.7928	13.5990	14.4669
Second interim	3.1397	6.6876	9.8273	6.9560
Third interim	18.3472	6.4825	24.8297	9.6957
Final	4.0693	7.5807	11.6500	23.4276

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Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	10.4776	3.5504	14.0280	15.0695
Second interim	3.8537	5.4148	9.2685	5.3830
Third interim	22.7007	6.3905	29.0912	8.8863
Final	3.6396	7.8668	11.5064	26.6577

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.8904	0.0920	0.9824	1.0476
Second interim	0.7091	0.0000	0.7091	0.5009
Third interim	1.8017	0.0000	1.8017	0.6978
Final	0.8416	0.0000	0.8416	1.6985

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.8285	0.0216	0.8501	0.9630
Second interim	0.2388	0.3528	0.5916	0.3538
Third interim	1.6319	0.1661	1.7980	0.5671
Final	0.1073	0.6241	0.7314	1.6475

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	1.0757	0.2705	1.3462	1.4905
Second interim	0.2657	0.7128	0.9785	0.7506
Third interim	1.7977	0.6411	2.4388	0.9159
Final	0.4011	0.7559	1.1570	2.3065

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Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	1.0933	0.1615	1.2548	1.4404
Second interim	0.1889	0.6021	0.7910	0.7735
Third interim	2.0816	0.6377	2.7193	0.3974
Final	0.2752	0.7190	0.9942	2.4914

22 Events after the balance sheet date

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 10 July 2025 has been used.

Investment objective

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

Investment policy

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

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

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

Investment approach

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

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

Benchmark

IA Flexible Investment Sector

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

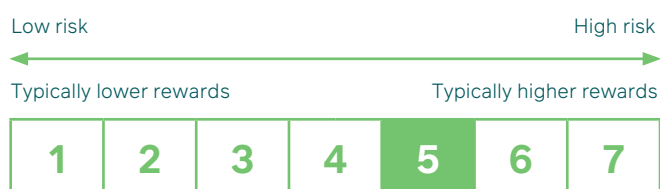
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

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

Risk profile

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

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



The above number:

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

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Investment review

For the year ended 31 October 2025

Performance against objective

Over the review period, the M&G Managed Growth Fund delivered a positive total return (the combination of capital growth and income) across all share classes and was ahead of its target benchmark*, which is the IA Flexible Investment Sector average, which delivered 14.0% over the 12 months.

Over five years, the fund has delivered a positive total return across all share classes and has met its objective of delivering a higher total return, net of the ongoing charge figure, than the IA Flexible Investment Sector average over any five-year period, which returned 8.0% pa.

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

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

Performance review

Stockmarkets around the world performed very strongly in the 12-month period to 31 October 2025. This was despite a significant market correction in early April 2025, when US President Donald Trump announced sweeping trade tariffs, which were more severe than expected. However, markets soon recovered their composure and rallied sharply, when the president announced a 90-day suspension in the tariffs. Subsequent trade agreements between the US and other countries, further reduced worries about potential trade disruption, providing further impetus to markets. As the year progressed, market gains were fuelled by strong corporate earnings, interest rate cuts, and continued enthusiasm around artificial intelligence (AI) and technology innovation.

Fixed income returns were more measured, but were nevertheless positive. US Treasuries and UK gilts recorded small positive total returns, but long dated

German bunds lost value. Credit spreads on investment grade and high yield corporate bonds, widened in the first few months of 2025, as hopes of rate cuts in 2025 faded. (Credit spread is a measure of the difference between the yield of a corporate bond and a government bond of the same maturity.) However, credit spreads ended the period tighter, underscoring investors' increased risk appetite. Tightening spreads and higher yields meant that corporate bonds outpaced developed market sovereign bonds. Emerging market bonds also performed well.

In currency markets, the Japanese yen weakened against other major currencies, while the UK pound strengthened against the US dollar, but weakened against the euro.

Against this backdrop, the fund delivered a strong positive return over the 12-month period and outperformed its benchmark.

The fund is invested in other funds (typically those managed by M&G) providing exposure primarily to equities.

Equity funds across a broad range of markets contributed to returns, the most significant of which were our holdings in the M&G Japan Fund, the M&G Asian Fund, the M&G Global Emerging Markets Fund, the M&G Global Strategic Value Fund, the M&G (Lux) European Strategic Value Fund and a MSCI Mexico Index ETF.

Investment activities

Early in January 2025, we increased the fund's target weight in 30-year UK gilts from 3% to 5% and reduced exposure to the M&G (Lux) Global Target Return Fund from 2% to a new target weight of 1.35%. The rise in gilt yields from the start of December 2024 represented a significant valuation improvement in our view, with the price action becoming more 'episodic' ahead of our investment.

In the second half of October, we closed the fund's position in a MSCI Mexico Index ETF and reduced the target weight for the fund's holding in the M&G Japan Fund from 8% to 4%. Both positions had performed

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very strongly. We maintained and diversified the fund's equity exposure by beginning new positions (target weights of 2.5%) in the M&G (Lux) Global Maxima Fund and the M&G Global Dividend Fund. We also increased the fund's holding in the M&G Global Sustain Paris Aligned Fund, taking the target weight from 8.3% to 11.0%.

Outlook

The majority of the fund remains invested in equities, which we believe will most likely be the primary driver of returns. Although equity valuations overall are expensive, we think they are not yet extreme, and we are yet to see signs of euphoria, so we maintain our neutral view on equities overall, but retain our preference for non-US equities versus US equities.

We maintain a positive view on developed market government bonds, especially long-dated bonds. The recent aversion to bonds appears rooted in ongoing concerns around fiscal deficits as well as the negative experience of holding bonds of late, rather than an objective assessment of the fundamentals, reinforcing our conviction in their value and diversification benefits. Even if yields stabilise at current levels, the income generated remains compelling, particularly for an asset class that could offer diversification during periods of market stress.

Credit spreads on corporate bonds remain near historic lows, implying low default risk despite an environment of higher funding costs and economic uncertainty. From these levels, compensation for an ongoing benign environment is now very modest. We remain cautious and will continue to monitor default rates closely given the level of complacency reflected in current valuations.

Emerging market local currency bonds remain attractive, in our view, despite strong performance and still offer attractive yields. The asset class continues to be supported by a monetary easing bias among

emerging market central banks, stable inflation and currency appreciation as a result of the ongoing shift away from US dollar assets. Better economic conditions in emerging markets are also helping to improve their credit ratings.

Craig Simpson

Fund manager

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

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

Portfolio statement

Investments

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Collective investment schemes	1,063,501	94.89	94.61
M&G funds^a	986,094	87.98	84.64
7,862,037 M&G (Lux) Episode Macro Fund	112,929	10.08	
2,490,829 M&G (Lux) European Strategic Value Fund	45,026	4.02	
1,673,416 M&G (Lux) Global Maxima Fund	28,962	2.58	
1,358,784 M&G (Lux) Global Target Return Fund	15,259	1.36	
2,897,366 M&G (Lux) Pan European Sustain Paris Aligned Fund	88,997	7.94	
4,210,675 M&G Asian Fund	89,118	7.95	
8,521,592 M&G Global Dividend Fund	28,083	2.51	
22,271,611 M&G Global Emerging Markets Fund	82,392	7.35	
15,528,022 M&G Global Strategic Value Fund	56,919	5.08	
16,769,667 M&G Global Sustain Paris Aligned Fund	125,318	11.18	
2,166,562 M&G Global Themes Fund	33,761	3.01	
50,857,299 M&G Japan Fund	46,845	4.18	
1,135,365 M&G North American Dividend Fund	47,066	4.20	
43,919,940 M&G North American Value Fund	93,343	8.33	
28,231,285 M&G Recovery Fund	42,830	3.82	
1,650,244 M&G U.K. Sustain Paris Aligned Fund	49,246	4.39	
Other funds	77,407	6.91	9.97
9,100,000 iShares USD Treasury Bond 20+yr UCITS ETF	28,123	2.51	
1,633,353 Xtrackers MSCI World ex USA UCITS ETF	49,284	4.40	
Fixed income	55,552	4.95	2.99
GBP63,200,000 U.K. Gilts 4.375% 31/07/2054	55,552	4.95	
Derivatives	(145)	(0.01)	(0.06)
Forwards	(145)	(0.01)	(0.06)
Sold AUD27,548,036 for GBP13,777,899 Settlement 30/01/2026	40	0.00	
Sold CHF8,214,098 for GBP7,888,186 Settlement 30/01/2026	21	0.00	
Sold DKK223,103,591 for GBP26,445,397 Settlement 30/01/2026	(28)	0.00	
Sold EUR91,317,009 for GBP80,776,013 Settlement 30/01/2026	(68)	0.00	

Portfolio statement

Investments (continued)

Holding	as at 31.10.25 £'000	as at 31.10.25 %	as at 31.10.24 %
Derivatives (continued)			
Forwards (continued)			
Sold JPY2,602,162,766 for GBP13,049,957 Settlement 30/01/2026	78	0.01	
Sold USD45,552,854 for GBP34,508,169 Settlement 30/01/2026	(188)	(0.02)	
Total portfolio	1,118,908	99.83	97.54
Net other assets/(liabilities)	1,851	0.17	2.46
Net assets attributable to shareholders	1,120,759	100.00	100.00

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

The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

^a Related party.

Portfolio statement

Top portfolio transactions for the year to 31 October 2025

Purchases	£'000
M&G Global Sustain Paris Aligned Fund ^a	37,854
M&G Global Dividend Fund ^a	27,381
M&G (Lux) Global Maxima Fund ^a	27,332
U.K. Gilts 4.375% 31/07/2054	26,285
iShares USD Treasury Bond 20+yr UCITS ETF	3,056
Total purchases	121,908

Sales	£'000
M&G Japan Fund ^a	51,655
Xtrackers MSCI Mexico UCITS ETF	44,312
M&G (Lux) Pan European Sustain Paris Aligned Fund ^a	13,366
M&G (Lux) European Strategic Value Fund ^a	7,534
M&G (Lux) Global Target Return Fund ^a	5,112
Total sales	121,979

^a Related party.

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+16.2	+13.9	+13.6	+10.3
Class 'A' Accumulation	+16.3	+14.0	+13.7	+10.5
Class 'C' Income	+17.1	+14.8	+14.5	+11.4
Class 'I' Income	+16.5	+14.0	+13.9	+10.8
Class 'I' Accumulation	+16.5	+14.0	+13.9	+10.8
Class 'PP' Income	+16.6	+14.2	+14.0	n/a
Class 'PP' Accumulation	+16.6	+14.2	+14.0	n/a
Class 'R' Income	+16.2	+13.8	+13.7	+10.5
Class 'R' Accumulation	+16.2	+13.8	+13.7	+10.5
Benchmark	+14.0	+10.5	+8.1	+10.4

^a Not annualised.

Specific share class performance

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

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

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 1 October 2002.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	146.15	125.34	120.84
Return before operating charges*	24.97	26.17	8.87
Operating charges	(1.56)	(1.49)	(1.36)
Return after operating charges*	23.41	24.68	7.51
Distributions	(4.34)	(3.87)	(3.01)
Closing NAV	165.22	146.15	125.34
*after direct transaction cost of	0.00	0.02	0.00
Performance			
Return after charges (%)	16.02	19.69	6.21
Other information			
Closing NAV (£'000)	499,012	461,355	419,805
Number of shares	302,022,128	315,675,098	334,932,501
Operating charges (%)	1.03	1.05	1.05
Direct transaction costs (%)	0.00	0.01	0.00
Prices			
Highest share price (UK p)	169.08	152.17	134.80
Lowest share price (UK p)	135.89	125.50	121.94

Sterling Class 'A' Accumulation shares

The share class was launched on 1 October 2002.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	190.18	159.07	149.58
Return before operating charges*	33.41	33.01	11.18
Operating charges	(2.05)	(1.90)	(1.69)
Return after operating charges*	31.36	31.11	9.49
Distributions	(4.21)	(3.24)	(2.57)
Retained distributions	4.21	3.24	2.57
Closing NAV	221.54	190.18	159.07
*after direct transaction cost of	0.00	0.02	0.01
Performance			
Return after charges (%)	16.49	19.56	6.34
Other information			
Closing NAV (£'000)	76,906	61,684	50,604
Number of shares	34,714,932	32,434,463	31,811,609
Operating charges (%)	1.03	1.05	1.05
Direct transaction costs (%)	0.00	0.01	0.00
Prices			
Highest share price (UK p)	222.59	194.77	168.24
Lowest share price (UK p)	177.33	159.28	150.93

Financial highlights

Sterling Class 'C' Income shares

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

The share class was launched on 21 June 2012.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	160.10	136.10	130.19
Return before operating charges*	27.16	27.72	8.65
Operating charges	0.00	0.00	0.00
Return after operating charges*	27.16	27.72	8.65
Distributions	(4.63)	(3.72)	(2.74)
Closing NAV	182.63	160.10	136.10
*after direct transaction cost of	0.00	0.02	0.00
Performance			
Return after charges (%)	16.96	20.37	6.64
Other information			
Closing NAV (£'000)	205,594	193,640	151,922
Number of shares	112,573,691	120,949,208	111,625,287
Operating charges (%)	0.00	0.00	0.00
Direct transaction costs (%)	0.00	0.01	0.00
Prices			
Highest share price (UK p)	186.84	166.42	146.17
Lowest share price (UK p)	149.38	136.28	131.39

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	2,157.31	1,845.71	1,775.25
Return before operating charges*	367.59	378.02	123.47
Operating charges	(14.15)	(13.61)	(12.39)
Return after operating charges*	353.44	364.41	111.08
Distributions	(62.22)	(52.81)	(40.62)
Closing NAV	2,448.53	2,157.31	1,845.71
*after direct transaction cost of	0.02	0.23	0.07
Performance			
Return after charges (%)	16.38	19.74	6.26
Other information			
Closing NAV (£'000)	76,869	70,191	61,495
Number of shares	3,139,394	3,253,647	3,331,758
Operating charges (%)	0.63	0.65	0.65
Direct transaction costs (%)	0.00	0.01	0.00
Prices			
Highest share price (UK p)	2,504.87	2,244.51	1,983.80
Lowest share price (UK p)	2,008.37	1,848.11	1,791.63

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	2,675.60	2,233.82	2,102.61
Return before operating charges*	459.21	458.36	145.93
Operating charges	(17.62)	(16.58)	(14.72)
Return after operating charges*	441.59	441.78	131.21
Distributions	(64.26)	(47.89)	(36.47)
Retained distributions	64.26	47.89	36.47
Closing NAV	3,117.19	2,675.60	2,233.82
*after direct transaction cost of	0.03	0.28	0.08
Performance			
Return after charges (%)	16.50	19.78	6.24
Other information			
Closing NAV (£'000)	181,742	141,621	89,637
Number of shares	5,830,314	5,293,040	4,012,727
Operating charges (%)	0.63	0.65	0.65
Direct transaction costs (%)	0.00	0.01	0.00
Prices			
Highest share price (UK p)	3,131.93	2,735.36	2,362.83
Lowest share price (UK p)	2,490.64	2,236.67	2,121.68

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	137.91	117.87	113.27
Return before operating charges*	23.49	24.12	7.96
Operating charges	(0.76)	(0.73)	(0.67)
Return after operating charges*	22.73	23.39	7.29
Distributions	(3.99)	(3.35)	(2.69)
Closing NAV	156.65	137.91	117.87
*after direct transaction cost of	0.00	0.01	0.00
Performance			
Return after charges (%)	16.48	19.84	6.44
Other information			
Closing NAV (£'000)	1,627	1,347	1,407
Number of shares	1,038,363	976,506	1,193,784
Operating charges (%)	0.53	0.55	0.55
Direct transaction costs (%)	0.00	0.01	0.00
Prices			
Highest share price (UK p)	160.27	143.46	126.67
Lowest share price (UK p)	128.43	118.02	114.31

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 October	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	156.41	130.48	122.64
Return before operating charges*	26.83	26.75	8.57
Operating charges	(0.87)	(0.82)	(0.73)
Return after operating charges*	25.96	25.93	7.84
Distributions	(3.90)	(2.93)	(2.32)
Retained distributions	3.90	2.93	2.32
Closing NAV	182.37	156.41	130.48
*after direct transaction cost of	0.00	0.02	0.00
Performance			
Return after charges (%)	16.60	19.87	6.39
Other information			
Closing NAV (£'000)	9,790	4,632	2,828
Number of shares	5,368,313	2,961,507	2,167,338
Operating charges (%)	0.53	0.55	0.55
Direct transaction costs (%)	0.00	0.01	0.00
Prices			
Highest share price (UK p)	183.23	159.90	138.00
Lowest share price (UK p)	145.65	130.65	123.75

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	211.50	181.40	174.91
Return before operating charges*	36.09	37.23	12.38
Operating charges	(1.94)	(1.85)	(1.69)
Return after operating charges*	34.15	35.38	10.69
Distributions	(6.19)	(5.28)	(4.20)
Closing NAV	239.46	211.50	181.40
*after direct transaction cost of	0.00	0.02	0.01
Performance			
Return after charges (%)	16.15	19.50	6.11
Other information			
Closing NAV (£'000)	7,614	6,901	6,324
Number of shares	3,179,576	3,263,105	3,486,093
Operating charges (%)	0.88	0.90	0.90
Direct transaction costs (%)	0.00	0.01	0.00
Prices			
Highest share price (UK p)	245.01	220.13	195.07
Lowest share price (UK p)	196.72	181.63	176.53

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	260.83	218.20	205.70
Return before operating charges*	44.85	44.86	14.49
Operating charges	(2.40)	(2.23)	(1.99)
Return after operating charges*	42.45	42.63	12.50
Distributions	(5.66)	(4.15)	(3.16)
Retained distributions	5.66	4.15	3.16
Closing NAV	303.28	260.83	218.20
*after direct transaction cost of	0.00	0.03	0.01
Performance			
Return after charges (%)	16.27	19.54	6.08
Other information			
Closing NAV (£'000)	61,605	57,029	50,327
Number of shares	20,313,208	21,864,111	23,064,165
Operating charges (%)	0.88	0.90	0.90
Direct transaction costs (%)	0.00	0.01	0.00
Prices			
Highest share price (UK p)	304.72	266.70	230.86
Lowest share price (UK p)	242.59	218.48	207.57

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 October	Note	2025		2024	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		140,407		147,192
Revenue	5	31,284		26,002	
Expenses	6	(7,631)		(7,306)	
Interest payable and similar charges		(3)		(14)	
Net revenue/(expense) before taxation		23,650		18,682	
Taxation	7	(2,139)		(372)	
Net revenue/(expense) after taxation			21,511		18,310
Total return before distributions			161,918		165,502
Distributions	8		(27,476)		(23,026)
Change in net assets attributable to shareholders from investment activities			134,442		142,476

Statement of change in net assets attributable to shareholders

for the year to 31 October	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		998,400		834,349
Amounts received on issue of shares	77,652		89,506	
Amounts paid on cancellation of shares	(96,303)		(72,485)	
		(18,651)		17,021
Dilution adjustments		0		4
Change in net assets attributable to shareholders from investment activities (see above)		134,442		142,476
Retained distributions on Accumulation shares		6,560		4,541
Unclaimed distributions		8		9
Closing net assets attributable to shareholders		1,120,759		998,400

Financial statements and notes

Financial statements

Balance sheet

as at 31 October	Note	2025 £'000	2024 £'000
Assets			
Fixed assets			
Investments		1,119,192	974,385
Current assets			
Debtors	9	5,059	1,928
Cash and bank balances	10	8,459	1,592
Cash equivalents		6,614	43,121
Total assets		1,139,324	1,021,026
Liabilities			
Investment liabilities		(284)	(583)
Creditors			
Bank overdrafts		0	(6,994)
Distribution payable		(14,559)	(13,493)
Other creditors	11	(3,396)	(1,556)
Deferred tax provision	7	(326)	0
Total liabilities		(18,565)	(22,626)
Net assets attributable to shareholders		1,120,759	998,400

Financial statements and notes

Notes to the financial statements

1 Accounting policies

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

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 October	2025 £'000	2024 £'000
Non-derivative securities	136,459	129,341
Derivative contracts	(1,063)	12,072
Currency gains/(losses)	(378)	641
Management charge rebates taken to capital	5,389	5,113
Rebate of ongoing charges from underlying funds taken to capital	0	25
Net capital gains/(losses)	140,407	147,192

Includes realised gains of £39,706,000 and unrealised gains of £95,312,000 (2024: realised gains of £69,976,000 and unrealised gains of £72,078,000). Certain realised gains and losses in the current year were unrealised in the prior year.

Financial statements and notes

4 Portfolio transactions and associated costs

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

for the year to 31 October	2025 £'000	% of transaction	2024 £'000	% of transaction
a) Purchases				
Debt securities	26,285		73,826	
Collective investment schemes				
Collective investment schemes before transaction costs	95,623		206,041	
Commissions	0	0.00	44	0.02
Collective investment schemes after transaction costs	95,623		206,085	
Total purchases after transaction costs	121,908		279,911	
b) Sales				
Debt securities	0		42,563	
Collective investment schemes				
Collective investment schemes before transaction costs	121,988		231,146	
Commissions	(9)	0.01	(60)	(0.03)
Collective investment schemes after transaction costs	121,979		231,086	
Total sales after transaction costs	121,979		273,649	
	2025 £'000	% of average NAV	2024 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Collective investment schemes	9	0.00	104	0.01
Total direct portfolio transaction costs	9	0.00	104	0.01
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.01		0.02

Financial statements and notes

5 Revenue

for the year to 31 October	2025 £'000	2024 £'000
Bank interest	41	140
Distributions from collective investment schemes: non-taxable	18,647	15,103
Distributions from collective investment schemes: taxable	4,241	4,720
Interest distributions	865	280
Interest on debt securities	2,440	1,332
Management charge rebates	4,732	4,255
Rebate of ongoing charges from underlying funds	318	172
Total revenue	31,284	26,002

6 Expenses

for the year to 31 October	2025 £'000	2024 £'000
Payable to the ACD or associate		
Annual charge	7,631	7,306
Total expenses	7,631	7,306

Audit fees for the financial year ending 2025 were £13,000 (2024: £13,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 October	2025 £'000	2024 £'000
a) Analysis of charge in the year		
Corporation tax	1,813	372
Withholding tax	0	0
Deferred tax (note 7c)	326	0
Total taxation	2,139	372
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	23,650	18,682
Corporation tax at 20%	4,730	3,736
Effects of:		
Tax on management charge rebates taken to capital	1,077	1,028
Revenue: non-taxable	(3,729)	(3,021)
Capital income subject to taxation	326	0
Current year expenses utilised	(265)	(1,371)
Total tax charge (note 7a)	2,139	372
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	326	0
Provision at the end of the year	326	0

The fund has not recognised a deferred tax asset of £nil (2024: £265,000) arising as a result of having excess management expenses.

Financial statements and notes

8 Distributions

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

for the year to 31 October	2025		2024	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Dividend distributions				
Interim	6,155	1,627	5,171	818
Final	14,559	4,933	13,493	3,723
Total net distributions		27,274		23,205
Income deducted on cancellation of shares		542		388
Income received on issue of shares		(340)		(567)
Distributions		27,476		23,026
Net revenue/(expense) per statement of total return		21,511		18,310
Expenses offset against capital		5,390		5,373
Sharing of relief between classes		575		(657)
Distributions		27,476		23,026

9 Debtors

as at 31 October	2025 £'000	2024 £'000
Amounts receivable on issues of shares	3,786	982
Debt security interest receivable	691	353
Distributions receivable	38	123
Management charge rebates due	534	457
Rebate of ongoing charges from underlying funds	10	13
Total debtors	5,059	1,928

10 Cash and bank balances

as at 31 October	2025 £'000	2024 £'000
Cash held as bank balances	8,459	1,592
Total cash and bank balances	8,459	1,592

Financial statements and notes

11 Other creditors

as at 31 October	2025 £'000	2024 £'000
Amounts payable on cancellation of shares	1,646	836
Annual charge payable	405	348
Corporation tax payable	1,345	372
Total other creditors	3,396	1,556

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: same).

13 Shares in issue

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

Share class	Opening 01.11.24	Issued	Movements Cancelled	Converted	Closing 31.10.25
Sterling					
Class 'A' Income	315,675,098	8,199,903	(21,852,873)	0	302,022,128
Class 'A' Accumulation	32,434,463	5,650,519	(3,370,050)	0	34,714,932
Class 'C' Income	120,949,208	8,319,303	(16,694,820)	0	112,573,691
Class 'I' Income	3,253,647	193,399	(307,652)	0	3,139,394
Class 'I' Accumulation	5,293,040	1,197,014	(659,740)	0	5,830,314
Class 'PP' Income	976,506	289,527	(227,670)	0	1,038,363
Class 'PP' Accumulation	2,961,507	2,713,300	(306,494)	0	5,368,313
Class 'R' Income	3,263,105	332,055	(415,584)	0	3,179,576
Class 'R' Accumulation	21,864,111	888,934	(2,439,837)	0	20,313,208

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

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14 Charging structure

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

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

15 Related parties

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

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

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

During the year, there were transactions in shares in related parties of M&G Securities Limited with a total value of £170,234,000 (2024: £90,818,000).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £986,094,000 (2024: £845,052,000).

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 25.02% (2024: 25.45%) of the fund's shares.

16 Fair value analysis

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

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

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

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Level 2: Valuation technique using observable market data

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

Level 3: Valuation technique using unobservable inputs

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

as at 31 October	Assets 2025 £'000	Liabilities 2025 £'000	Assets 2024 £'000	Liabilities 2024 £'000
Level 1	132,959	0	129,330	0
Level 2	986,233	(284)	845,055	(583)
Level 3	0	0	0	0
	1,119,192	(284)	974,385	(583)

17 Risk management policies

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

18 Market risk sensitivity and exposure

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

The VaR limit set during the financial year to 31 October 2025 was 20% (2024: 20%).

The lowest, highest and average utilisation of VaR with reference to the limit above are calculated during the financial years ended 31 October 2025 and 31 October 2024.

for the year to 31 October	2025 Utilisation of VaR 20%	2024 Utilisation of VaR 20%
Lowest	25.10	29.85
Highest	40.30	34.05
Average	31.86	31.65

19 Credit risk

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

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

as at 31 October 2025	Forwards £'000
Barclays Bank	(68)
JPMorgan	(167)
Standard Chartered Bank	12
UBS	78
Total	(145)

At the balance sheet date £1,060,000 (2024: £3,816,000) of cash collateral was held by the fund in respect of forward currency contracts.

as at 31 October 2024	Forwards £'000
BNP Paribas	(2)
Citigroup	(103)
Royal Bank of Canada	(1)
State Street Bank	(292)
UBS	(182)
Total	(580)

20 Leverage risk

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

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

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 October 2025 and 31 October 2024 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 October	2025 £'000	2025 %	2024 £'000	2024 %
Lowest	1,151,192	114.00	1,029,208	114.00
Highest	1,825,109	164.00	1,701,320	176.00
Average	1,254,482	120.31	1,189,116	125.00

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21 Dividend distribution tables

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

Semi-annual distribution periods

	Start	End	Xd	Payment
Interim	01.11.24	30.04.25	01.05.25	30.06.25
Final	01.05.25	31.10.25	03.11.25	31.12.25

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

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

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

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	0.8519	0.4291	1.2810	1.0875
Final	2.3906	0.6668	3.0574	2.7860

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	0.3256	0.9258	1.2514	0.4734
Final	1.6081	1.3532	2.9613	2.7687

Sterling Class 'C' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	0.8225	0.4734	1.2959	0.9861
Final	2.0947	1.2428	3.3375	2.7361

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Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	8.2381	9.4347	17.6728	14.6662
Final	24.6624	19.8802	44.5426	38.1463

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	8.8973	6.6858	15.5831	9.9650
Final	28.7487	19.9298	48.6785	37.9287

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	0.6147	0.5067	1.1214	0.9237
Final	2.7248	0.1388	2.8636	2.4218

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	0.4250	0.5599	0.9849	0.6354
Final	2.0769	0.8386	2.9155	2.2969

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Interim	0.6734	1.1163	1.7897	1.4901
Final	1.6571	2.7383	4.3954	3.7922

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Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2025	Equalisation	Distribution	
	2025	2025	2025	2024
	UK p	UK p	UK p	UK p
Interim	0.4251	0.7547	1.1798	0.7224
Final	2.7401	1.7390	4.4791	3.4280

22 Events after the balance sheet date

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

Other regulatory disclosures

Alternative Investment Fund Managers Directive (AIFMD)

In accordance with the AIFMD we are required to report to investors on the 'leverage' of the fund and any 'special arrangements' that exist in relation to the fund's assets.

Leverage

Under AIFMD, leverage is defined as any method by which the fund increases its exposure through borrowing or the use of derivatives. This exposure must be calculated in two ways, the 'gross method' and the 'commitment method'. The fund must not exceed maximum exposures under both methods.

'Gross method' is calculated as the sum of all positions of the fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes.

'Commitment method' exposure is also calculated as the sum of all positions of the fund (both positive and negative), but after netting off derivative and security positions as specified by AIFMD rules.

Therefore as at 31 October 2025 the total amount of leverage is as follows:

Gross method:

M&G Climate Aware Mult Asset Fund (formerly M&G Sustainable Multi Asset Fund) 175%
M&G Episode Allocation Fund 155%
M&G Episode Growth Fund 132%
M&G Managed Growth Fund 114%

Commitment method:

M&G Climate Aware Mult Asset Fund (formerly M&G Sustainable Multi Asset Fund) 117%
M&G Episode Allocation Fund 132%
M&G Episode Growth Fund 137%
M&G Managed Growth Fund 105%

Special arrangements

A 'Special Arrangement' is an arrangement in relation to fund assets that results in an investor or group of

investors receiving different redemption rights to those generally available to investors in a given share class.

The fund had no assets subject to special arrangements for the year ending 31 October 2025.

Remuneration

In line with the requirements of the Alternative Investment Fund Managers Directive ('AIFMD'), M&G Securities Limited (the 'AIFM') is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the AIFMD.

The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of employees is in line with the risk policies and objectives of the alternative investment funds managed by the AIFM. Further details of the remuneration policy can be found on our website:

mandgplc.com/our-business/mandg-investments/mandg-investments-business-policies

The remuneration policy and its implementation is reviewed on an annual basis, or more frequently where required, and is approved by the M&G plc Board Remuneration Committee. The most recent review found no fundamental issues with no material changes made to the policy.

The AIFM is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with M&G's interpretation of currently available guidance on quantitative remuneration disclosures. As market or regulatory guidance evolves, M&G may consider it appropriate to make changes to the way in which quantitative disclosures are calculated.

The AIFM does not employ any staff directly. The 'Identified Staff' of M&G Securities Limited are those who could have a material impact on the risk profile of M&G Securities Limited or the AIFs it manages (including M&G Investment Funds (4)) and generally includes senior management, risk takers and control functions. 'Identified Staff' typically provide both AIFMD

Other regulatory disclosures

and non-AIFMD related services and have a number of areas of responsibility. Therefore, only the portion of remuneration for those individuals' services which may be attributable to the AIFM is included in the remuneration figures disclosed. Accordingly the figures are not representative of any individual's actual remuneration. The information needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable

The amounts shown below reflect payments made in respect of the financial year 1 January 2024 to 31 December 2024.

	Fixed Remuneration £'000	Variable Remuneration £'000	Total £'000	Beneficiaries
Senior Management	579	1,303	1,882	10
Other Identified Staff	1,527	5,862	7,389	14
Total	2,106	7,165	9,271	24

