

# M&G Investment Funds (4)

**Annual report and audited financial statements  
for the year ended 31 October 2024**

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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 2024.

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](http://mandg.com/private-investor/glossary). A printed copy of the glossary is available upon request by calling customer services and administration as shown within the 'Investor information' section of this report.

## Company information

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

The Company was authorised on 20 February 2002 and was launched on 20 June 2002. The M&G Episode Allocation Fund was launched on 16 February 2007. The M&G Sustainable Multi Asset Fund was launched on 14 February 2019. The M&G Sustainable Multi Asset Balanced Fund, M&G Sustainable Multi Asset Cautious Fund and M&G Sustainable Multi Asset Growth Fund were launched on 8 December 2020.

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. As at the date of publication of this report, no termination dates have been set for the funds.

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. As at the date of publication of this report, no termination date has been set for the fund.

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 2024, none of the funds held shares of the other funds within this OEIC.

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

## Fund managers

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

### M&G Episode Allocation Fund

Tony Finding & Stuart Canning

### M&G Episode Growth Fund

Craig Simpson & Tony Finding

### M&G Managed Growth Fund

Craig Simpson

### M&G Sustainable Multi Asset Fund

Maria Municchi

### M&G Sustainable Multi Asset Balanced Fund

Maria Municchi

### M&G Sustainable Multi Asset Cautious Fund

Maria Municchi

# Authorised Corporate Director's Report

## M&G Sustainable Multi Asset Growth Fund

Maria Municchi

## ACD

M&G Securities Limited

10 Fenchurch Avenue, London EC3M 5AG, UK

Telephone: 0800 390 390 (UK only)

(Authorised and regulated by the Financial Conduct Authority. M&G Securities Limited is a member of the Investment Association and of The Investing and Saving Alliance)

## Directors of the ACD

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

\* Appointed 13 January 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 to 31 March 2024 can be found on our website at [mandg.com/investments/valueassessment](https://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](https://mandg.com/footer/sustainability-disclosures)

## Important information

The events in Ukraine continue to bring uncertainty. The ACD continues to monitor the associated risks that are posed to the Company.

On 17 September 2024, the Sterling Class 'L' Accumulation shares were merged into the equivalent Sterling Class 'PP' Accumulation shares of the following funds:

- M&G Sustainable Multi Asset Balanced Fund
- M&G Sustainable Multi Asset Cautious Fund
- M&G Sustainable Multi Asset Growth Fund

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. As a result of these mergers, the

# Authorised Corporate Director's Report

financial statements of the merging funds for the year to 31 October 2024 have been prepared on a break up basis. Termination of the M&G Sustainable Multi Asset Balanced Fund and M&G Sustainable Multi Asset Cautious Fund will be completed once all of the assets and liabilities have been settled.

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. As a result of this merger, the financial statements of the merging fund for the year to 31 October 2024 have been prepared on a break up basis. Termination of M&G Sustainable Multi Asset Growth Fund will be completed once all of the assets and liabilities have been settled.

From January 2025 the operating charge figure will 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.

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.

For the reasons stated in the ACD's Report and note 2a, the financial statements of the M&G Sustainable Multi Asset Balanced Fund, M&G Sustainable Multi Asset Cautious Fund and M&G Sustainable Multi Asset Growth Fund have not been prepared on a going concern basis.

## 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  
4 February 2025

# 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 2024

The Depository must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes 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 Authorised Fund Manager ('the AFM') 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 AFM:

- 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  
4 February 2025

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 2024, 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, and the accounting policies of the Company, 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 2024 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.

### Emphasis of matter – financial statements prepared on a break-up basis

We draw attention to note 2a to the financial statements which explains that the Authorised Corporate Director ("the ACD") intends to terminate M&G Sustainable Multi Asset Balanced Fund, the M&G Sustainable Multi Asset Cautious Fund and the M&G Sustainable Multi Asset Growth Fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements for these sub-funds only, have been prepared on a break-up basis as described in note 2a. The financial statements for the Company as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

In auditing the financial statements of the remaining sub-funds, we have concluded that the ACD's 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 remaining sub-funds' 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



# Independent Auditor's Report

responsible for the other information contained within the annual report.

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

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

We have nothing to report in this regard.

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

In our opinion:

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

## Matters on which we are required to report by exception

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

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

## 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 wind up or terminate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

# Independent Auditor's Report

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), 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 propensity to influence revenue and amounts available for distribution. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts

available for distribution. We tested the appropriateness of management's classification 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 review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [frc.org.uk/auditorsresponsibilities](http://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  
4 February 2025

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) with the exception of M&G Sustainable Multi Asset Balanced Fund, M&G Sustainable Multi Asset Cautious Fund and M&G Sustainable Multi Asset Growth Fund 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.

For M&G Sustainable Multi Asset Balanced Fund, M&G Sustainable Multi Asset Cautious Fund and M&G Sustainable Multi Asset Growth Fund as the ACD intends to terminate these funds within one year of the date of approval of the financial statements, the financial statements of these funds have been prepared on a break-up basis. In applying this basis of preparation, the assets and liabilities of these funds continue to be stated at their fair values which materially equate to their recoverable and settlement values. No adjustments were necessary in the financial statements to reduce assets to their realisable values or to provide for liabilities arising from the decision. Any additional costs in respect of the termination of the funds will be borne by the ACD.

#### 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 2024 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 2024, being the last

# Financial statements and notes

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.
  - 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.

# Financial statements and notes

- 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.
  - 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%).

# Financial statements and notes

- **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.

## 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

# Financial statements and notes

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.

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%.

# Financial statements and notes

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

Fund	Global exposure approach
M&G Episode Allocation Fund	Absolute VaR
M&G Episode Growth Fund	Absolute VaR
M&G Managed Growth Fund	Absolute VaR
M&G Sustainable Multi Asset Fund	Absolute VaR
M&G Sustainable Multi Asset Balanced Fund	Absolute VaR
M&G Sustainable Multi Asset Cautious Fund	Absolute VaR
M&G Sustainable Multi Asset 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 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-



# Financial statements and notes

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 26 April 2024 has been used.

## Investment objective

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

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

## Investment policy

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

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

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

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

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

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

## Investment approach

The fund 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%

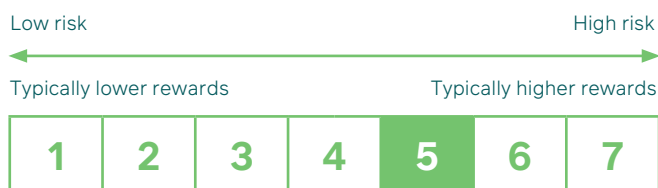
The fund is actively managed. The benchmark is a target which the fund seeks to achieve. The rate has been chosen as the fund's target benchmark as it is an achievable performance target given the fund's investment policy. The target benchmark is used solely to measure the fund's performance objective 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 13 to 15.

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 2024

### Performance against objective

Over the review period, the M&G Episode Allocation Fund produced a positive total return (the combination

of income and growth of capital) and was ahead of its benchmark\*, the Sterling Overnight Index Average (SONIA) + 5.0%, across all of its share classes. The benchmark returned 10.6% over the period. SONIA reflects the average interest rate that banks pay to borrow sterling overnight from other financial institutions.

The fund's objective is to achieve a total return of at least 5% per annum above the SONIA, before any charges are taken, over any five-year period. Over five years, the fund produced a positive return but did not meet its objective. The annualised five-year return for the benchmark was 7.3% over the period.

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

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

### Performance review

Both bonds and equities posted solid gains in the 12-month review period, benefiting from a backdrop of declining interest rates and resilient economic growth. Falling inflation in major economies in the West, finally allowed some central banks to begin cutting interest rates, starting with the European Central Bank in June 2024, the Bank of England in August and finally the US Federal Reserve in September.

It was perhaps the bond market which saw more twists and turns through the review period, as investors' optimism about the pace of interest rate cuts ebbed and flowed. Developed market government bond yields fell sharply in the final two months of 2023, before rising again for much of the first half of 2024, as investors dialled back expectations on rate cuts. Yields fell again from June onwards, before heading higher in October. Meanwhile, returns on investment grade, high yield and emerging market bonds outpaced developed market sovereign bonds as investors embraced higher levels of investment risk and credit spreads tightened. (Credit spread is a measure of the difference between the yield of a corporate bond and a government bond of the same maturity.)

# Authorised Corporate Director's Report

The standout performer in equities, was the US stockmarket, which ended the 12-month period close to an all-time high. This was partly a reflection of the strength of the technology sector and investor frenzy surrounding artificial intelligence-related businesses. Outside the US, many markets in Europe, Japan and developing economies, also recorded solid double-digit returns.

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

Fixed income exposure also contributed to returns, with long-dated US Treasuries and emerging market sovereign bonds (particularly from Mexico and South Africa) and corporate bonds all adding value.

The fund's holdings of cash and overall currency exposure also aided performance.

## Investment activities

In November 2023, we added to equity exposure (US, UK and South Korea) in response to declines in prices caused by pressure from rising bond yields. Later in the month, we reduced fixed income exposure, responding to a rapid decline in developed market government bond yields. This removed the capital added to the long-end in early October (before the start of the review period).

In early 2024, we added modestly to China exposure, responding to material price weakness, with valuations looking increasingly attractive and price action increasingly episodic given the rapidity of declines. Strong subsequent absolute and relative performance unwound the most episodic price action, so we closed the position in April.

In March, we increased global equity exposure and reduced our position in Japanese equities. In fixed income, we increased the fund's long-dated UK gilt position and trimmed holdings in Mexican and South

African bonds. We also moved to a long position in Japanese yen, which was at a multi-decade low versus the US dollar at the time.

Following the landslide election victory of the left-wing Morena party in June, Mexican equities and the peso declined rapidly. We responded to this episodic-looking decline by starting a new position in Mexican equities of 3% and increased our target for the peso from 2.4% to 5.4%. The increase in peso currency exposure was funded broadly from major developed market currencies.

Later in June, we closed our position in Taiwan equities following significant rapid positive price action and a re-rating in valuations and increased our target for Indonesian equities, which had seen a fall in share prices and valuations, to 2% from 1%. The target for Indonesian rupiah exposure was also increased by 1% and was funded by a reduction in our sterling exposure.

In early August, we responded to episodic-looking price declines in Japanese and Korean equity markets by increasing the fund's exposure to those markets. Later in the month, we closed the fund's position in US dollar-denominated emerging market bonds, which had a target weighting of 2%, as spreads were back at low levels versus their history. The position had performed strongly.

In September, we responded to the relative attractiveness of sterling versus US dollar duration and the tightness of credit spreads by switching some of the fund's high yield exposure (particularly US dollar-denominated) into sterling-denominated investment grade corporate bonds.

Following a rally in yields, we closed the fund's position in an emerging market local currency government bond ETF in October, as a sizeable proportion of the ETF looked relatively unattractive to us. Nevertheless, the fund retains a meaningful exposure to emerging market government bonds through targeted exposure.

## Outlook

We remain moderately constructive on equities, supported by recent economic resilience and the

# Authorised Corporate Director's Report

expectation of a clearly supportive fiscal and monetary backdrop. In particular, we see attractively valued opportunities in Asian and Latin American equities, as well as pockets within developed markets, such as European banks and UK stocks. While concentration at the index level remains a concern, the resilience and superb long-term track record of earnings growth from Big Tech should mitigate some of these worries.

We still like yields on long-dated US Treasuries in their own right and feel that they can perform well if current investor comfort with risk is shaken. Long-dated UK gilts also look attractive at current levels, in our view, particularly following independent recent weakness around the UK budget. A well-diversified basket of emerging market government bonds in local currency appears to us as an attractive source of medium-term returns. Given how tight credit spreads are, we prefer to express constructive views elsewhere.

Cash real yields are elevated and attractive, in our view, as well as uncorrelated to other asset classes. Higher liquidity provides flexibility to respond to tactical opportunities.

## **Tony Finding & Stuart Canning**

Co-fund managers

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

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

# Portfolio statement

## Investments

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equity derivatives</b>	(126)	(0.06)	(0.06)
<b>Other</b>	(126)	(0.06)	(0.06)
<b>Other equity futures</b>	(126)	(0.06)	(0.06)
99 HKG Hang Seng China Enterprises Index Futures Nov 2024	(62)	(0.03)	
46 HKG Hang Seng Index Futures Nov 2024	(64)	(0.03)	
<b>Equity portfolios</b>	<b>95,204</b>	<b>41.74</b>	<b>38.11</b>
<b>United Kingdom</b>	<b>9,480</b>	<b>4.16</b>	<b>3.99</b>
2,292,688 M&G Recovery Fund Sterling C Acc. <sup>a</sup>	9,480	4.16	
<b>Other</b>	<b>85,724</b>	<b>37.58</b>	<b>34.12</b>
42,273 Amundi Euro STOXX 50 UCITS ETF	4,366	1.91	
1,006,507 Amundi FTSE 100 UCITS ETF	14,027	6.15	
657,565 Amundi MSCI Japan UCITS ETF	8,934	3.92	
109,095 Amundi MSCI Korea UCITS ETF	5,261	2.31	
272,964 Amundi S&P 500 II UCITS ETF	12,569	5.51	
86,583 HSBC MSCI Indonesia UCITS ETF	5,103	2.24	
148,618 iShares Core MSCI World UCITS ETF	12,234	5.36	
30,600 Xtrackers DAX UCITS ETF	4,621	2.03	
158,546 Xtrackers FTSE MIB UCITS ETF	4,420	1.94	
1,585,640 Xtrackers MSCI Mexico UCITS ETF	6,844	3.00	
2,097,743 Xtrackers MSCI Singapore UCITS ETF	2,750	1.20	
158,194 Xtrackers Spain UCITS ETF	4,595	2.01	
<b>Fixed income</b>	<b>82,971</b>	<b>36.37</b>	<b>31.38</b>
<b>United Kingdom</b>	<b>64,905</b>	<b>28.45</b>	<b>21.33</b>
<b>Government bonds</b>	<b>64,905</b>	<b>28.45</b>	<b>21.33</b>
£21,293,000 U.K. Gilts 3.75% 22/10/2053	17,635	7.73	
£21,260,000 U.K. Treasury Bills 0% 16/12/2024	21,132	9.26	
£17,000,000 U.K. Treasury Bills 0% 20/01/2025	16,821	7.37	
£9,500,000 U.K. Treasury Bills 0% 31/03/2025	9,317	4.09	
<b>United States</b>	<b>5,987</b>	<b>2.62</b>	<b>2.23</b>
<b>Government bonds</b>	<b>5,987</b>	<b>2.62</b>	<b>2.23</b>
US\$11,645,000 U.S. Treasury Inflation-Indexed Bonds 0.125% 15/02/2052	5,987	2.62	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>Brazil</b>	<b>4,333</b>	<b>1.90</b>	<b>2.35</b>
<b>Government bonds</b>	<b>4,333</b>	<b>1.90</b>	<b>2.35</b>
BRL35,400,000 Brazil Notas do Tesouro Nacional 10% 01/01/2029	4,333	1.90	
<b>Mexico</b>	<b>4,195</b>	<b>1.84</b>	<b>3.93</b>
<b>Government bonds</b>	<b>4,195</b>	<b>1.84</b>	<b>3.93</b>
MXN136,847,700 Mexico Bonos 8% 07/11/2047	4,195	1.84	
<b>South Africa</b>	<b>5,076</b>	<b>2.23</b>	<b>2.75</b>
<b>Government bonds</b>	<b>5,076</b>	<b>2.23</b>	<b>2.75</b>
ZAR138,784,800 Republic of South Africa Government Bonds 8.5% 31/01/2037	5,076	2.23	
<b>Debt derivatives</b>	<b>(1,525)</b>	<b>(0.67)</b>	<b>(1.21)</b>
<b>Interest rate futures</b>	<b>(1,525)</b>	<b>(0.67)</b>	<b>(1.21)</b>
227 CBOT Ultra Long-Term U.S. Treasury Bond Futures Dec 2024	(1,525)	(0.67)	
<b>Fixed income portfolios</b>	<b>31,771</b>	<b>13.93</b>	<b>17.31</b>
<b>Other</b>	<b>31,771</b>	<b>13.93</b>	<b>17.31</b>
130,163 iShares Core GBP Corp. Bond UCITS ETF	15,833	6.94	
63,095 iShares USD High Yield Corp. Bond UCITS ETF	4,661	2.04	
72,210 M&G Total Return Credit Investment Fund Sterling A-H Acc. <sup>a</sup>	11,277	4.95	
<b>Currency</b>	<b>86</b>	<b>0.04</b>	<b>0.10</b>
<b>Forward currency contracts</b>	<b>86</b>	<b>0.04</b>	<b>0.10</b>
US\$11,848,463 Bought for KRW15,912,011,916 (expires 15.01.25)	194	0.09	
€(21,670,485) Sold for £18,142,097 (expires 31.01.25)	(79)	(0.03)	
¥(581,831,478) Sold for £2,958,599 (expires 31.01.25)	(12)	(0.01)	
SG\$(3,212,143) Sold for £1,881,298 (expires 31.01.25)	1	0.00	
US\$(41,978,940) Sold for £32,338,010 (expires 31.01.25)	(18)	(0.01)	
<b>Total portfolio</b>	<b>209,906</b>	<b>92.02</b>	<b>86.84</b>
<b>Net other assets/(liabilities)</b>	<b>18,191</b>	<b>7.98</b>	<b>13.16</b>
<b>Net assets attributable to shareholders</b>	<b>228,097</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> Related party.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 October 2024

Largest purchases	£'000
U.K. Treasury Bills 0% 16/12/2024	20,861
U.K. Treasury Bills 0% 05/08/2024	20,597
U.K. Treasury Bills 0% 20/01/2025	16,771
U.K. Treasury Bills 0% 12/02/2024	13,181
iShares Core MSCI World UCITS ETF	11,253
U.K. Treasury Bills 0% 07/05/2024	11,134
U.K. Treasury Bills 0% 31/03/2025	9,301
U.K. Treasury Bills 0% 21/10/2024	9,256
U.K. Treasury Bills 0% 10/06/2024	9,100
U.K. Gilts 3.75% 22/10/2053	7,963
Other purchases	65,286
<b>Total purchases</b>	<b>194,703</b>

Largest sales	£'000
U.K. Treasury Bills 0% 05/08/2024	20,861
Amundi MSCI Japan UCITS ETF	13,350
U.K. Treasury Bills 0% 12/02/2024	13,333
U.K. Treasury Bills 0% 20/11/2023	13,178
U.K. Treasury Bills 0% 07/05/2024	11,394
U.K. Treasury Bills 0% 21/10/2024	9,430
U.K. Treasury Bills 0% 10/06/2024	9,252
Xtrackers II JP Morgan EM Local Government Bond UCITS ETF	8,671
U.K. Treasury Bills 0% 15/01/2024	7,707
U.K. Treasury Bills 0% 15/07/2024	7,619
Other sales	67,039
<b>Total sales</b>	<b>181,834</b>

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](http://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 % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+14.5	+4.0	+3.6	+4.0
Class 'A' Accumulation	+14.5	+4.0	+3.6	+4.0
Class 'I' Income	+14.9	+4.4	+3.9	+4.5
Class 'I' Accumulation	+14.9	+4.3	+3.9	+4.5
Class 'PP' Income	+15.0	+4.4	+4.0	n/a
Class 'PP' Accumulation	+15.0	+4.4	+4.0	n/a
Class 'R' Income	+14.7	+4.1	+3.7	+4.3
Class 'R' Accumulation	+14.7	+4.1	+3.7	+4.3
<b>Benchmark<sup>b</sup></b>	<b>+10.6</b>	<b>+8.7</b>	<b>+7.3</b>	<b>+6.5</b>

<sup>a</sup> Not annualised.

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

## 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 Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	131.66	129.10	143.06
Return before operating charges*	20.66	9.21	(8.92)
Operating charges	(1.52)	(1.44)	(1.45)
Return after operating charges*	19.14	7.77	(10.37)
Distributions	(5.83)	(5.21)	(3.59)
Closing NAV	144.97	131.66	129.10
*after direct transaction cost of	0.03	0.01	0.02
<b>Performance</b>			
Return after charges (%)	14.54	6.02	(7.25)
<b>Other information</b>			
Closing NAV (£'000)	26,487	24,260	24,167
Number of shares	18,270,735	18,426,940	18,719,792
Operating charges (%)	1.05	1.05	1.05
Direct transaction costs (%)	0.02	0.01	0.01
<b>Prices</b>			
Highest share price (UK p)	149.88	142.85	146.01
Lowest share price (UK p)	131.79	129.00	127.95

## Sterling Class 'A' Accumulation shares

The share class was launched on 16 February 2007.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	196.79	185.79	200.51
Return before operating charges*	31.06	13.10	(12.66)
Operating charges	(2.30)	(2.10)	(2.06)
Return after operating charges*	28.76	11.00	(14.72)
Distributions	(6.56)	(5.53)	(3.07)
Retained distributions	6.56	5.53	3.07
Closing NAV	225.55	196.79	185.79
*after direct transaction cost of	0.04	0.02	0.02
<b>Performance</b>			
Return after charges (%)	14.61	5.92	(7.34)
<b>Other information</b>			
Closing NAV (£'000)	37,867	32,837	31,426
Number of shares	16,788,263	16,686,718	16,915,432
Operating charges (%)	1.05	1.05	1.05
Direct transaction costs (%)	0.02	0.01	0.01
<b>Prices</b>			
Highest share price (UK p)	230.40	208.54	204.66
Lowest share price (UK p)	196.33	185.63	182.86

# 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	1,276.78	1,246.97	1,376.23
Return before operating charges*	199.36	87.79	(86.98)
Operating charges	(9.12)	(8.64)	(8.70)
Return after operating charges*	190.24	79.15	(95.68)
Distributions	(55.48)	(49.34)	(33.58)
Closing NAV	1,411.54	1,276.78	1,246.97
*after direct transaction cost of	0.27	0.13	0.15
<b>Performance</b>			
Return after charges (%)	14.90	6.35	(6.95)
<b>Other information</b>			
Closing NAV (£'000)	13,808	13,073	15,179
Number of shares	978,236	1,023,888	1,217,297
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.02	0.01	0.01
<b>Prices</b>			
Highest share price (UK p)	1,458.69	1,383.60	1,404.74
Lowest share price (UK p)	1,278.05	1,246.03	1,235.47

## 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	1,651.93	1,554.59	1,672.44
Return before operating charges*	259.48	108.23	(107.19)
Operating charges	(11.95)	(10.89)	(10.66)
Return after operating charges*	247.53	97.34	(117.85)
Distributions	(61.09)	(51.77)	(30.90)
Retained distributions	61.09	51.77	30.90
Closing NAV	1,899.46	1,651.93	1,554.59
*after direct transaction cost of	0.35	0.17	0.18
<b>Performance</b>			
Return after charges (%)	14.98	6.26	(7.05)
<b>Other information</b>			
Closing NAV (£'000)	138,791	123,225	130,473
Number of shares	7,306,833	7,459,472	8,392,694
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.02	0.01	0.01
<b>Prices</b>			
Highest share price (UK p)	1,939.76	1,749.15	1,707.12
Lowest share price (UK p)	1,648.03	1,553.23	1,529.97

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	97.13	94.77	104.48
Return before operating charges*	15.16	6.65	(6.64)
Operating charges	(0.59)	(0.56)	(0.55)
Return after operating charges*	14.57	6.09	(7.19)
Distributions	(4.21)	(3.73)	(2.52)
Closing NAV	107.49	97.13	94.77
*after direct transaction cost of	0.02	0.01	0.01
<b>Performance</b>			
Return after charges (%)	15.00	6.43	(6.88)
<b>Other information</b>			
Closing NAV (£'000)	96	89	84
Number of shares	89,007	91,465	89,089
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.02	0.01	0.01
<b>Prices</b>			
Highest share price (UK p)	111.07	105.22	106.64
Lowest share price (UK p)	97.23	94.70	93.88

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	107.10	100.70	108.25
Return before operating charges*	16.80	7.00	(6.96)
Operating charges	(0.66)	(0.60)	(0.59)
Return after operating charges*	16.14	6.40	(7.55)
Distributions	(4.07)	(3.44)	(2.09)
Retained distributions	4.07	3.44	2.09
Closing NAV	123.24	107.10	100.70
*after direct transaction cost of	0.02	0.01	0.01
<b>Performance</b>			
Return after charges (%)	15.07	6.36	(6.97)
<b>Other information</b>			
Closing NAV (£'000)	6,111	4,669	13,194
Number of shares	4,959,048	4,359,639	13,102,018
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.02	0.01	0.01
<b>Prices</b>			
Highest share price (UK p)	125.84	113.37	110.49
Lowest share price (UK p)	106.80	100.60	99.11

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	124.44	121.84	134.81
Return before operating charges*	19.50	8.65	(8.44)
Operating charges	(1.23)	(1.17)	(1.18)
Return after operating charges*	18.27	7.48	(9.62)
Distributions	(5.48)	(4.88)	(3.35)
Closing NAV	137.23	124.44	121.84
*after direct transaction cost of	0.03	0.01	0.01
<b>Performance</b>			
Return after charges (%)	14.68	6.14	(7.14)
<b>Other information</b>			
Closing NAV (£'000)	1,845	1,841	1,797
Number of shares	1,344,760	1,478,771	1,473,852
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.02	0.01	0.01
<b>Prices</b>			
Highest share price (UK p)	141.85	134.95	137.59
Lowest share price (UK p)	124.56	121.74	120.74

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	161.77	152.55	164.44
Return before operating charges*	25.49	10.70	(10.44)
Operating charges	(1.62)	(1.48)	(1.45)
Return after operating charges*	23.87	9.22	(11.89)
Distributions	(5.62)	(4.74)	(2.71)
Retained distributions	5.62	4.74	2.71
Closing NAV	185.64	161.77	152.55
*after direct transaction cost of	0.03	0.02	0.02
<b>Performance</b>			
Return after charges (%)	14.76	6.04	(7.23)
<b>Other information</b>			
Closing NAV (£'000)	3,092	2,896	2,781
Number of shares	1,665,787	1,790,214	1,823,313
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.02	0.01	0.01
<b>Prices</b>			
Highest share price (UK p)	189.61	171.38	167.84
Lowest share price (UK p)	161.39	152.41	150.14

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 October	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	3		22,896		7,306
Revenue	5	10,172		9,320	
Expenses	6	(1,717)		(1,667)	
Interest payable and similar charges		(7)		(2)	
Net revenue/(expense) before taxation		8,448		7,651	
Taxation	7	(1,211)		(1,142)	
Net revenue/(expense) after taxation			7,237		6,509
<b>Total return before distributions</b>			<b>30,133</b>		<b>13,815</b>
Distributions	8		(7,627)		(6,922)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>22,506</b>		<b>6,893</b>

### Statement of change in net assets attributable to shareholders

for the year to 31 October	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>202,890</b>		<b>219,101</b>
Amounts received on issue of shares	18,542		19,734	
Amounts paid on cancellation of shares	(21,780)		(48,189)	
		(3,238)		(28,455)
Dilution adjustments		11		73
Change in net assets attributable to shareholders from investment activities (see above)		22,506		6,893
Retained distributions on Accumulation shares		5,928		5,278
<b>Closing net assets attributable to shareholders</b>		<b>228,097</b>		<b>202,890</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 October	Note	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		211,666	178,994
<b>Current assets</b>			
Debtors	9	873	1,128
Cash and bank balances	10	9,577	12,205
Cash equivalents		9,452	16,962
<b>Total assets</b>		<b>231,568</b>	<b>209,289</b>
<b>Liabilities</b>			
Investment liabilities		(1,760)	(2,808)
<b>Creditors</b>			
Bank overdrafts		0	(2,129)
Distribution payable		(510)	(614)
Other creditors	11	(1,201)	(836)
Deferred tax provision	7	0	(12)
<b>Total liabilities</b>		<b>(3,471)</b>	<b>(6,399)</b>
<b>Net assets attributable to shareholders</b>		<b>228,097</b>	<b>202,890</b>

# 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 13.

### 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	2024 £'000	2023 £'000
Non-derivative securities	14,649	2,224
Derivative contracts	8,742	4,699
Currency gains/(losses)	(534)	155
Management charge rebates taken to capital	0	98
Rebate of ongoing charges from underlying funds taken to capital	39	130
<b>Net capital gains/(losses)</b>	<b>22,896</b>	<b>7,306</b>

Includes realised gains of £12,716,000 and unrealised gains of £10,141,000 (2023: realised gains of £99,000 and unrealised gains of £6,979,000). 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	2024 £'000	% of transaction	2023 £'000	% of transaction
<b>a) Purchases</b>				
<b>Debt securities</b>	<b>141,355</b>		<b>122,582</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	53,331		57,296	
Commissions	17	0.03	3	0.01
<b>Collective investment schemes after transaction costs</b>	<b>53,348</b>		<b>57,299</b>	
<b>Total purchases after transaction costs</b>	<b>194,703</b>		<b>179,881</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	0		11,726	
Commissions	0	0.00	(3)	0.03
<b>Equities after transaction costs</b>	<b>0</b>		<b>11,723</b>	
<b>Debt securities</b>				
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	57,355		60,364	
Commissions	(17)	0.03	(5)	0.01
<b>Collective investment schemes after transaction costs</b>	<b>57,338</b>		<b>60,359</b>	
<b>Total sales after transaction costs</b>	<b>181,834</b>		<b>186,561</b>	
	2024 £'000	% of average NAV	2023 £'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	0	0.00	3	0.00
Collective investment schemes	34	0.02	8	0.01
Derivatives	4	0.00	4	0.00
<b>Total commissions paid</b>	<b>38</b>	<b>0.02</b>	<b>15</b>	<b>0.01</b>
<b>Taxes paid</b>				
Derivatives	6	0.00	6	0.00
<b>Total direct portfolio transaction costs</b>	<b>44</b>	<b>0.02</b>	<b>21</b>	<b>0.01</b>

# Financial statements and notes

	%	%
<b>d) Indirect portfolio transaction costs</b>		
Average portfolio dealing spread as at the balance sheet date	0.08	0.10

## 5 Revenue

for the year to 31 October	2024 £'000	2023 £'000
Bank interest	29	57
Derivative revenue	115	88
Distributions from collective investment schemes: non-taxable	2,431	2,144
Distributions from collective investment schemes: taxable	2,399	1,725
Distributions from collective investment schemes: property income dividends	0	343
Dividends from equity investments: non-taxable	0	96
Interest distributions	442	546
Interest on debt securities	4,441	4,109
Management charge rebates	71	92
Rebate of ongoing charges from underlying funds	244	120
<b>Total revenue</b>	<b>10,172</b>	<b>9,320</b>

## 6 Expenses

for the year to 31 October	2024 £'000	2023 £'000
<b>Payable to the ACD or associate</b>		
Annual charge	1,717	1,667
<b>Total expenses</b>	<b>1,717</b>	<b>1,667</b>

Audit fees for the financial year ending 2024 were £13,000 (2023: £12,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 October	2024 £'000	2023 £'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	1,223	1,138
Withholding tax	0	15
Deferred tax (note 7c)	(12)	(11)
<b>Total taxation</b>	<b>1,211</b>	<b>1,142</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	8,448	7,651
Corporation tax at 20%	1,690	1,530
<b>Effects of:</b>		
Tax on management charge rebates taken to capital	8	45
Revenue: non-taxable	(487)	(448)
Withholding tax	0	15
<b>Total tax charge (note 7a)</b>	<b>1,211</b>	<b>1,142</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	12	23
Deferred tax in profit and loss account (note 7a)	(12)	(11)
<b>Provision at the end of the year</b>	<b>0</b>	<b>12</b>

The fund has not recognised a deferred tax asset in the current financial year (2023: 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	2024		2023	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
<b>Dividend distributions</b>				
First interim	343	1,126	342	1,147
Second interim	327	1,070	257	803
Third interim	508	1,875	339	1,126
Final	510	1,857	614	2,202
Total net distributions		7,616		6,830
Income deducted on cancellation of shares		100		175
Income received on issue of shares		(89)		(83)
<b>Distributions</b>		<b>7,627</b>		<b>6,922</b>
Net revenue/(expense) per statement of total return		7,237		6,509
Expenses offset against capital		384		376
Sharing of relief between classes		6		37
<b>Distributions</b>		<b>7,627</b>		<b>6,922</b>

## 9 Debtors

as at 31 October	2024 £'000	2023 £'000
Amounts receivable on issues of shares	333	293
Debt security interest receivable	484	684
Distributions receivable	44	101
Dividends receivable	0	41
Rebate of ongoing charges from underlying funds	12	9
<b>Total debtors</b>	<b>873</b>	<b>1,128</b>

## 10 Cash and bank balances

as at 31 October	2024 £'000	2023 £'000
Amounts held at futures clearing houses and collateral manager	6,830	10,533
Cash held as bank balances	2,747	1,672
<b>Total cash and bank balances</b>	<b>9,577</b>	<b>12,205</b>

# Financial statements and notes

## 11 Other creditors

as at 31 October	2024 £'000	2023 £'000
Amounts payable on cancellation of shares	469	145
Annual charge payable	89	70
Corporation tax payable	643	621
<b>Total other creditors</b>	<b>1,201</b>	<b>836</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2023: 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 01.11.23	Issued	Movements Cancelled	Converted	Closing 31.10.24
<b>Sterling</b>					
Class 'A' Income	18,426,940	1,875,047	(2,031,252)	0	18,270,735
Class 'A' Accumulation	16,686,718	1,909,276	(1,807,731)	0	16,788,263
Class 'I' Income	1,023,888	90,323	(135,975)	0	978,236
Class 'I' Accumulation	7,459,472	517,564	(670,203)	0	7,306,833
Class 'PP' Income	91,465	13,460	(15,918)	0	89,007
Class 'PP' Accumulation	4,359,639	775,241	(175,832)	0	4,959,048
Class 'R' Income	1,478,771	37,225	(171,236)	0	1,344,760
Class 'R' Accumulation	1,790,214	51,427	(175,854)	0	1,665,787

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 %
<b>Sterling</b>	
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 £2,306,000 (2023: £14,448,000).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £20,757,000 (2023: £20,172,000).

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 28.29% (2023: 27.60%) 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 2024 £'000	Liabilities 2024 £'000	Assets 2023 £'000	Liabilities 2023 £'000
Level 1	177,110	(1,651)	140,200	(2,706)
Level 2	34,556	(109)	38,794	(102)
Level 3	0	0	0	0
	<b>211,666</b>	<b>(1,760)</b>	<b>178,994</b>	<b>(2,808)</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 13 to 15.

## 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 2024 was 20% (2023: 13%).

The lowest, highest and average utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2024 and 31 October 2023.

for the year to 31 October	2024 Utilisation of VaR 20%	2023 Utilisation of VaR 13%
Lowest	25.30	30.15
Highest	29.75	44.15
Average	26.80	35.08

# Financial statements and notes

## 19 Credit risk

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

as at 31 October	2024 £'000	2023 £'000
Investment grade securities	75,087	55,774
Below investment grade securities	9,409	10,347
Other investments	125,410	110,065
<b>Total</b>	<b>209,906</b>	<b>176,186</b>

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 2024	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(1,651)
Citigroup	176	0
State Street Bank	(78)	0
UBS	(12)	0
<b>Total</b>	<b>86</b>	<b>(1,651)</b>

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(2,582)
Citigroup	131	0
Goldman Sachs	5	0
JPMorgan	6	0
State Street Bank	(92)	0
UBS	146	0
<b>Total</b>	<b>196</b>	<b>(2,582)</b>

## 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 2024 and 31 October 2023 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	2024 £'000	2024 %	2023 £'000	2023 %
Lowest	297,887	130.00	274,675	122.00
Highest	551,873	246.00	673,470	295.00
Average	369,516	164.07	346,528	155.84

## 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	01.11.23	31.01.24	01.02.24	31.03.24
Second interim	01.02.24	30.04.24	01.05.24	30.06.24
Third interim	01.05.24	31.07.24	01.08.24	30.09.24
Final	01.08.24	31.10.24	01.11.24	31.12.24

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	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
First interim	0.2603	0.9157	1.1760	1.1289
Second interim	0.4982	0.6243	1.1225	0.8590
Third interim	0.9482	0.8180	1.7662	1.1501
Final	0.4855	1.2754	1.7609	2.0699

# Financial statements and notes

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4702	0.7541	1.2243	1.1195
Second interim	0.4660	0.6675	1.1335	0.7545
Third interim	1.4045	0.6935	2.0980	1.1411
Final	0.6579	1.4511	2.1090	2.5188

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	4.9088	6.2158	11.1246	10.6431
Second interim	5.9910	4.6348	10.6258	8.0536
Third interim	11.6749	5.2092	16.8841	10.8563
Final	5.0976	11.7465	16.8441	19.7913

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	5.6828	6.0091	11.6919	10.6863
Second interim	4.7533	6.2046	10.9579	7.6018
Third interim	11.5651	7.5867	19.1518	10.9737
Final	4.3881	14.9019	19.2900	22.5042

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4375	0.4111	0.8486	0.8047
Second interim	0.0932	0.7102	0.8034	0.6073
Third interim	0.4334	0.8466	1.2800	0.8201
Final	0.5046	0.7725	1.2771	1.4999

# Financial statements and notes

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.2650	0.5328	0.7978	0.7137
Second interim	0.2258	0.5080	0.7338	0.5133
Third interim	0.6522	0.6144	1.2666	0.7340
Final	0.2077	1.0687	1.2764	1.4809

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4754	0.6332	1.1086	1.0558
Second interim	0.3523	0.6992	1.0515	0.8018
Third interim	0.8433	0.8171	1.6604	1.0761
Final	0.3364	1.3194	1.6558	1.9459

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.3097	0.7487	1.0584	0.9677
Second interim	0.2806	0.7042	0.9848	0.6669
Third interim	1.0943	0.6869	1.7812	0.9893
Final	0.3050	1.4868	1.7918	2.1208

## 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 26 April 2024 has been used.

## Investment objective

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

## Investment policy

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

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

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

## Investment approach

The fund 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 13 to 15.

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 2024

### Performance against objective

Over the review period, the M&G Episode Growth Fund produced a positive total return (the combination of income and growth of capital) across all its share classes. Returns for all classes were also ahead of its benchmark IA Mixed Investment 40-85% shares sector, which recorded a gain of 16.7%.

Over five years, the fund produced a positive return, and outperformed its benchmark\*, which delivered an annualised return of 5.8%. All share classes, met their objective of providing a higher total return, net of the ongoing charge figure, than the average return of the IA Mixed Investment 40-85% shares sector over any five-year period.

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

Both bonds and equities posted solid gains in the 12-month review period, benefiting from a backdrop of declining interest rates and resilient economic growth. Falling inflation in major economies in the West, finally allowed some central banks to begin cutting interest rates, starting with the European Central Bank in June 2024, the Bank of England in August and finally the US Federal Reserve in September.

It was perhaps the bond market which saw more twists and turns through the review period, as investors' optimism about the pace of interest rate cuts ebbed and flowed. Developed market government bond yields fell sharply in the final two months of 2023, before rising again for much of the first half of 2024, as investors dialled back expectations on rate cuts. Yields fell again from June onwards, before heading higher in October. Meanwhile, returns on investment grade, high yield and emerging market bonds outpaced developed market sovereign bonds as investors embraced higher levels of investment risk and credit spreads tightened. (The credit spread is a measure of the difference between the yield of a corporate bond and a government bond of the same maturity.)

The standout performer in equities, was the US stockmarket, which ended the 12-month period close to an all-time high. This was partly a reflection of the strength of the technology sector and investor excitement surrounding artificial intelligence-related businesses. Outside the US, many markets in Europe, Japan and developing economies, also recorded solid double-digit returns.

# Authorised Corporate Director's Report

Against this backdrop, the fund delivered a positive return in the review period, and outperformed its benchmark.

Our allocation to equities was the main driver of performance with exposure to global, UK, European, Japanese and other Asian stocks proving beneficial. A small position in Mexican equities lost some value.

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

## Investment activities

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

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

In early 2024, we added a new position in Chinese equities, with a target of 5%, responding to material price weakness, with valuations looking increasingly attractive and price action increasingly episodic given the rapidity of declines. This position was scaled back in April, as the strong absolute and relative performance since we invested, had unwound the most episodic price action. Chinese equities saw further strong gains later in the year as the government and central bank announced concerted stimulus measures and we closed the remaining position in response to this at the beginning of October.

Following the landslide election victory of the left-wing Morena party in June, Mexican equities and the peso declined rapidly. We responded to this episodic-looking

decline by starting a new position in Mexican equities, with a target of 3%, and increased our target for the peso from 2.4% to 5.4%. The increase in peso currency exposure was funded broadly from major developed market currencies.

In early August, we responded to episodic-looking price declines in Japanese and Korean equity markets as investors worried about the potential for further Japanese interest rate hiking and the unwinding of leveraged carry trades. (A carry trade is the strategy of borrowing in the currency of a country with low interest rates and investing that money in a country with a higher interest rate.) We increased the fund's target in the MSCI Japan from 4.5% to 6.5% and opened a new 2% position in MSCI Korea, funded from a mixture of cash and a reduction in broad global equity exposure via the MSCI World. These tactical additions were removed at the start of September after the markets substantially recovered.

## Outlook

We remain moderately constructive on equities, supported by resilient fundamentals and valuations that continue to appear reasonable.

Equity valuations look particularly favourable outside of the US, in our view, with belief sets also appearing more balanced and we continue to see value in areas such as Asian and European equity, alongside more specific idiosyncratic opportunities as in Mexico of late. The US market appears more richly priced, with a degree of excitement around the Big Tech stocks that the index is concentrated in, in particular, although its superior recent track record of earnings growth has warranted a valuation premium, in our view.

We continue to view long-dated US Treasuries as attractively priced, with the potential to offer diversification against the equity assets in the portfolio. Long-dated UK gilts also look interesting at current levels. Given how tight credit spreads are, we prefer to express constructive views elsewhere. High interest rates in a number of emerging markets offer attractive

# Authorised Corporate Director's Report

medium-term return potential to a diversified exposure to emerging market FX or local currency government bonds.

Real yields on cash remain elevated and attractive, in our view, with cash uncorrelated to other asset classes. Higher liquidity also provides flexibility to respond to tactical opportunities as they arise.

## **Craig Simpson & Tony Finding**

Co-fund managers

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

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

# Portfolio statement

## Investments

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities</b>	<b>616,199</b>	<b>71.97</b>	<b>67.05</b>
<b>Equity portfolios</b>	<b>616,199</b>	<b>71.97</b>	<b>67.05</b>
<b>United Kingdom</b>	<b>16,997</b>	<b>1.98</b>	<b>1.82</b>
4,811,954 M&G Smaller Companies Fund Sterling A Inc. <sup>a</sup>	16,997	1.98	
<b>Asia Pacific</b>	<b>31,310</b>	<b>3.66</b>	<b>3.37</b>
1,850,016 M&G Asian Fund Sterling A Inc. <sup>a</sup>	31,310	3.66	
<b>Other</b>	<b>567,892</b>	<b>66.33</b>	<b>61.86</b>
119,844 Amundi Euro STOXX 50 UCITS ETF	12,378	1.45	
12,489,870 Amundi FTSE 100 UCITS ETF	174,059	20.33	
2,775,569 Amundi MSCI Japan UCITS ETF	37,709	4.40	
2,304,370 iShares Core MSCI World UCITS ETF	189,695	22.16	
312,254 iShares MSCI EM Asia UCITS ETF	44,874	5.24	
1,083,845 iShares PLC - iShares Core FTSE 100 UCITS ETF	8,533	1.00	
2,347,595 Vanguard FTSE Developed Europe ex U.K. UCITS ETF	77,494	9.05	
5,363,775 Xtrackers MSCI Mexico UCITS ETF	23,150	2.70	
<b>Fixed income</b>	<b>201,777</b>	<b>23.57</b>	<b>30.37</b>
<b>Fixed income portfolios</b>	<b>75,783</b>	<b>8.85</b>	<b>9.44</b>
<b>Other</b>	<b>75,783</b>	<b>8.85</b>	<b>9.44</b>
623,014 iShares Core GBP Corp. Bond UCITS ETF	75,783	8.85	
<b>Government bonds</b>	<b>131,709</b>	<b>15.39</b>	<b>22.09</b>
<b>United Kingdom</b>	<b>114,953</b>	<b>13.43</b>	<b>12.52</b>
£33,600,000 U.K. Treasury Bills 0% 25/11/2024	33,492	3.91	
£44,900,000 U.K. Treasury Bills 0% 24/02/2025	44,226	5.17	
£38,000,000 U.K. Treasury Bills 0% 07/04/2025	37,235	4.35	
<b>United States</b>	<b>0</b>	<b>0.00</b>	<b>4.15</b>
<b>South Africa</b>	<b>16,756</b>	<b>1.96</b>	<b>5.42</b>
ZAR209,752,738 Republic of South Africa Government Bonds 8.25% 31/03/2032	8,368	0.98	
ZAR214,428,536 Republic of South Africa Government Bonds 8.875% 28/02/2035	8,388	0.98	
<b>Debt derivatives</b>	<b>(5,715)</b>	<b>(0.67)</b>	<b>(1.16)</b>
<b>Interest rate futures</b>	<b>(5,715)</b>	<b>(0.67)</b>	<b>(1.16)</b>
851 CBOT Ultra Long-Term U.S. Treasury Bond Futures Dec 2024	(5,715)	(0.67)	



# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Currency</b>	<b>(330)</b>	<b>(0.04)</b>	<b>0.06</b>
<b>Forward currency contracts</b>	<b>(330)</b>	<b>(0.04)</b>	<b>0.06</b>
US\$9,531,583 Bought for CNY66,635,298 (expires 25.11.24)	109	0.01	
MXN516,366,651 Bought for £19,524,351 (expires 31.01.25)	10	0.00	
US\$49,651,585 Bought for £38,248,546 (expires 31.01.25)	21	0.00	
AU\$(16,482,840) Sold for £8,356,935 (expires 31.01.25)	3	0.00	
HK\$(232,095,190) Sold for £23,043,893 (expires 28.01.25)	2	0.00	
¥(2,077,530,573) Sold for £10,564,191 (expires 31.01.25)	(42)	0.00	
CHF(18,650,000) Sold for £16,765,673 (expires 31.01.25)	(4)	0.00	
US\$14,520,589 Bought for TWD462,625,968 (expires 15.01.25)	(67)	(0.01)	
US\$14,528,797 Bought for TWD462,625,966 (expires 21.01.25)	(69)	(0.01)	
BRL127,437,117 Bought for US\$22,160,241 (expires 21.01.25)	(188)	(0.02)	
CNY66,635,298 Bought for US\$9,526,133 (expires 25.11.24)	(105)	(0.01)	
<b>Total portfolio</b>	<b>817,646</b>	<b>95.50</b>	<b>97.48</b>
<b>Net other assets/(liabilities)</b>	<b>38,536</b>	<b>4.50</b>	<b>2.52</b>
<b>Net assets attributable to shareholders</b>	<b>856,182</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> Related party.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 October 2024

Largest purchases	£'000
U.K. Treasury Bills 0% 24/02/2025	44,086
HSBC MSCI China UCITS ETF	41,714
U.K. Treasury Bills 0% 29/04/2024	38,631
U.K. Treasury Bills 0% 07/04/2025	37,173
U.K. Treasury Bills 0% 21/10/2024	35,742
U.K. Treasury Bills 0% 25/11/2024	33,264
U.K. Treasury Bills 0% 16/09/2024	32,623
U.K. Treasury Bills 0% 22/07/2024	31,842
U.K. Treasury Bills 0% 12/08/2024	27,964
Xtrackers MSCI Mexico UCITS ETF	26,091
Other purchases	70,632
<b>Total purchases</b>	<b>419,762</b>

Largest sales	£'000
HSBC MSCI China UCITS ETF	51,898
U.K. Treasury Bills 0% 29/04/2024	39,622
U.K. Treasury Bills 0% 26/02/2024	38,787
U.K. Treasury Bills 0% 06/11/2023	38,672
U.K. Treasury Bills 0% 21/10/2024	36,589
U.K. Treasury Bills 0% 16/09/2024	33,267
U.K. Treasury Bills 0% 22/07/2024	32,416
U.K. Treasury Bills 0% 14/03/2024	30,927
U.K. Treasury Bills 0% 12/08/2024	28,463
iShares Core MSCI World UCITS ETF	28,003
Other sales	118,856
<b>Total sales</b>	<b>477,500</b>

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](http://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 % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+17.3	+5.2	+6.6	+5.9
Class 'A' Accumulation	+17.3	+5.2	+6.6	+5.9
Class 'C' Income	+18.1	+6.0	+7.6	+7.1
Class 'I' Income	+17.5	+5.5	+7.0	+6.5
Class 'I' Accumulation	+17.5	+5.5	+7.0	+6.5
Class 'PP' Income	+17.6	+5.6	+7.1	n/a
Class 'PP' Accumulation	+17.6	+5.6	+7.1	n/a
Class 'R' Income	+17.3	+5.3	+6.8	+6.3
Class 'R' Accumulation	+17.3	+5.3	+6.8	+6.3
<b>Benchmark<sup>b</sup></b>	<b>+16.7</b>	<b>+2.1</b>	<b>+5.8</b>	<b>+8.2</b>

<sup>a</sup> Not annualised.

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

## 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	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	61.78	60.11	65.54
Return before operating charges*	11.30	4.41	(3.68)
Operating charges	(0.72)	(0.67)	(0.66)
Return after operating charges*	10.58	3.74	(4.34)
Distributions	(2.27)	(2.07)	(1.09)
Closing NAV	70.09	61.78	60.11
*after direct transaction cost of	0.01	0.01	0.02
<b>Performance</b>			
Return after charges (%)	17.13	6.22	(6.62)
<b>Other information</b>			
Closing NAV (£'000)	582,523	546,487	579,148
Number of shares	831,138,855	884,635,517	963,395,031
Operating charges (%)	1.05	1.05	1.05
Direct transaction costs (%)	0.01	0.01	0.03
<b>Prices</b>			
Highest share price (UK p)	72.54	66.05	67.53
Lowest share price (UK p)	61.71	60.40	59.06

## Sterling Class 'A' Accumulation shares

The share class was launched on 1 October 2002.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	98.80	93.11	99.76
Return before operating charges*	18.17	6.74	(5.63)
Operating charges	(1.17)	(1.05)	(1.02)
Return after operating charges*	17.00	5.69	(6.65)
Distributions	(2.55)	(2.22)	(0.40)
Retained distributions	2.55	2.22	0.40
Closing NAV	115.80	98.80	93.11
*after direct transaction cost of	0.01	0.01	0.03
<b>Performance</b>			
Return after charges (%)	17.21	6.11	(6.67)
<b>Other information</b>			
Closing NAV (£'000)	51,663	45,292	40,558
Number of shares	44,614,713	45,840,771	43,560,359
Operating charges (%)	1.05	1.05	1.05
Direct transaction costs (%)	0.01	0.01	0.03
<b>Prices</b>			
Highest share price (UK p)	118.26	102.87	102.42
Lowest share price (UK p)	98.43	93.53	90.94

# 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	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	72.86	70.19	75.75
Return before operating charges*	13.08	4.89	(4.36)
Operating charges	0.00	0.00	0.00
Return after operating charges*	13.08	4.89	(4.36)
Distributions	(2.46)	(2.22)	(1.20)
Closing NAV	83.48	72.86	70.19
*after direct transaction cost of	0.01	0.01	0.02
<b>Performance</b>			
Return after charges (%)	17.95	6.97	(5.76)
<b>Other information</b>			
Closing NAV (£'000)	20,063	15,145	13,388
Number of shares	24,033,825	20,786,341	19,073,434
Operating charges (%)	0.00	0.00	0.00
Direct transaction costs (%)	0.01	0.01	0.03
<b>Prices</b>			
Highest share price (UK p)	86.31	77.36	78.07
Lowest share price (UK p)	72.78	70.53	68.92

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	1,565.43	1,517.70	1,648.13
Return before operating charges*	282.65	108.63	(92.59)
Operating charges	(11.32)	(10.48)	(10.41)
Return after operating charges*	271.33	98.15	(103.00)
Distributions	(54.55)	(50.42)	(27.43)
Closing NAV	1,782.21	1,565.43	1,517.70
*after direct transaction cost of	0.19	0.17	0.48
<b>Performance</b>			
Return after charges (%)	17.33	6.47	(6.25)
<b>Other information</b>			
Closing NAV (£'000)	50,929	47,063	33,874
Number of shares	2,857,598	3,006,411	2,231,915
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.01	0.01	0.03
<b>Prices</b>			
Highest share price (UK p)	1,843.52	1,669.65	1,698.30
Lowest share price (UK p)	1,563.76	1,524.85	1,490.84

## Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	1,993.75	1,874.30	2,000.19
Return before operating charges*	362.01	132.52	(113.18)
Operating charges	(14.61)	(13.07)	(12.71)
Return after operating charges*	347.40	119.45	(125.89)
Distributions	(56.00)	(49.99)	(20.83)
Retained distributions	56.00	49.99	20.83
Closing NAV	2,341.15	1,993.75	1,874.30
*after direct transaction cost of	0.25	0.21	0.58
<b>Performance</b>			
Return after charges (%)	17.42	6.37	(6.29)
<b>Other information</b>			
Closing NAV (£'000)	91,920	62,160	47,907
Number of shares	3,926,284	3,117,716	2,555,995
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.01	0.01	0.03
<b>Prices</b>			
Highest share price (UK p)	2,390.27	2,076.10	2,053.92
Lowest share price (UK p)	1,986.25	1,882.99	1,830.32

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	113.84	110.26	119.61
Return before operating charges*	20.53	7.81	(6.75)
Operating charges	(0.70)	(0.65)	(0.63)
Return after operating charges*	19.83	7.16	(7.38)
Distributions	(3.94)	(3.58)	(1.97)
Closing NAV	129.73	113.84	110.26
*after direct transaction cost of	0.01	0.01	0.03
<b>Performance</b>			
Return after charges (%)	17.42	6.49	(6.17)
<b>Other information</b>			
Closing NAV (£'000)	797	845	849
Number of shares	614,303	741,908	769,696
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.01	0.01	0.03
<b>Prices</b>			
Highest share price (UK p)	134.18	121.33	123.25
Lowest share price (UK p)	113.71	110.78	108.30

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	121.00	113.70	121.23
Return before operating charges*	21.95	7.97	(6.88)
Operating charges	(0.75)	(0.67)	(0.65)
Return after operating charges*	21.20	7.30	(7.53)
Distributions	(3.53)	(3.09)	(1.37)
Retained distributions	3.53	3.09	1.37
Closing NAV	142.20	121.00	113.70
*after direct transaction cost of	0.02	0.01	0.04
<b>Performance</b>			
Return after charges (%)	17.52	6.42	(6.21)
<b>Other information</b>			
Closing NAV (£'000)	1,638	953	941
Number of shares	1,151,896	787,392	827,215
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.01	0.01	0.03
<b>Prices</b>			
Highest share price (UK p)	145.17	125.98	124.49
Lowest share price (UK p)	120.54	114.24	111.04

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	152.96	148.67	161.85
Return before operating charges*	27.73	10.83	(9.08)
Operating charges	(1.53)	(1.42)	(1.41)
Return after operating charges*	26.20	9.41	(10.49)
Distributions	(5.46)	(5.12)	(2.69)
Closing NAV	173.70	152.96	148.67
*after direct transaction cost of	0.02	0.02	0.05
<b>Performance</b>			
Return after charges (%)	17.13	6.33	(6.48)
<b>Other information</b>			
Closing NAV (£'000)	8,350	8,195	8,145
Number of shares	4,807,166	5,357,574	5,478,821
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.01	0.01	0.03
<b>Prices</b>			
Highest share price (UK p)	179.72	163.43	166.76
Lowest share price (UK p)	152.79	149.36	146.05

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	195.27	183.78	196.62
Return before operating charges*	35.61	13.26	(11.11)
Operating charges	(1.97)	(1.77)	(1.73)
Return after operating charges*	33.64	11.49	(12.84)
Distributions	(5.10)	(4.63)	(1.57)
Retained distributions	5.10	4.63	1.57
Closing NAV	228.91	195.27	183.78
*after direct transaction cost of	0.02	0.02	0.06
<b>Performance</b>			
Return after charges (%)	17.23	6.25	(6.53)
<b>Other information</b>			
Closing NAV (£'000)	48,299	44,441	43,952
Number of shares	21,099,709	22,758,916	23,915,172
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.01	0.01	0.03
<b>Prices</b>			
Highest share price (UK p)	233.73	203.30	201.88
Lowest share price (UK p)	194.53	184.63	179.49



# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 October	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	3		111,201		29,646
Revenue	5	27,947		26,036	
Expenses	6	(8,082)		(7,831)	
Interest payable and similar charges		(10)		(1)	
Net revenue/(expense) before taxation		19,855		18,204	
Taxation	7	(2)		0	
Net revenue/(expense) after taxation			19,853		18,204
<b>Total return before distributions</b>			<b>131,054</b>		<b>47,850</b>
Distributions	8		(26,141)		(24,594)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>104,913</b>		<b>23,256</b>

### Statement of change in net assets attributable to shareholders

for the year to 31 October	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>770,581</b>		<b>768,762</b>
Amounts received on issue of shares	49,579		79,352	
Amounts paid on cancellation of shares	(73,266)		(104,526)	
		(23,687)		(25,174)
Dilution adjustments		24		49
Change in net assets attributable to shareholders from investment activities (see above)		104,913		23,256
Retained distributions on Accumulation shares		4,339		3,682
Unclaimed distributions		12		6
<b>Closing net assets attributable to shareholders</b>		<b>856,182</b>		<b>770,581</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 October	Note	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		823,836	760,930
<b>Current assets</b>			
Debtors	9	858	736
Cash and bank balances	10	16,971	25,972
Cash equivalents		31,349	0
<b>Total assets</b>		<b>873,014</b>	<b>787,638</b>
<b>Liabilities</b>			
Investment liabilities		(6,190)	(9,744)
<b>Creditors</b>			
Distribution payable		(8,978)	(6,298)
Other creditors	11	(1,664)	(1,015)
<b>Total liabilities</b>		<b>(16,832)</b>	<b>(17,057)</b>
<b>Net assets attributable to shareholders</b>		<b>856,182</b>	<b>770,581</b>

# 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 13.

### 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	2024 £'000	2023 £'000
Non-derivative securities	103,654	17,039
Derivative contracts	8,725	11,087
Currency gains/(losses)	(1,762)	616
Management charge rebates taken to capital	502	528
Rebate of ongoing charges from underlying funds taken to capital	82	376
<b>Net capital gains/(losses)</b>	<b>111,201</b>	<b>29,646</b>

Includes realised gains of £36,418,000 and unrealised gains of £74,199,000 (2023: realised gains of £17,460,000 and unrealised gains of £11,282,000). 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	2024 £'000	% of transaction	2023 £'000	% of transaction
<b>a) Purchases</b>				
<b>Debt securities</b>	<b>297,205</b>		<b>353,818</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	122,519		96,978	
Commissions	38	0.03	27	0.03
<b>Collective investment schemes after transaction costs</b>	<b>122,557</b>		<b>97,005</b>	
<b>Total purchases after transaction costs</b>	<b>419,762</b>		<b>450,823</b>	
<b>b) Sales</b>				
<b>Debt securities</b>	<b>343,573</b>		<b>292,931</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	133,968		150,206	
Commissions	(41)	0.03	(45)	0.03
<b>Collective investment schemes after transaction costs</b>	<b>133,927</b>		<b>150,161</b>	
<b>Total sales after transaction costs</b>	<b>477,500</b>		<b>443,092</b>	
	2024 £'000	% of average NAV	2023 £'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Collective investment schemes	79	0.01	72	0.01
Derivatives	6	0.00	6	0.00
<b>Total commissions paid</b>	<b>85</b>	<b>0.01</b>	<b>78</b>	<b>0.01</b>
<b>Taxes paid</b>				
Derivatives	0	0.00	8	0.00
<b>Total direct portfolio transaction costs</b>	<b>85</b>	<b>0.01</b>	<b>86</b>	<b>0.01</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.05		0.07

# Financial statements and notes

## 5 Revenue

for the year to 31 October	2024 £'000	2023 £'000
Bank interest	171	159
Derivative revenue	193	90
Distributions from collective investment schemes: non-taxable	15,418	14,863
Distributions from collective investment schemes: taxable	3,496	2,725
Dividends from equity investments: non-taxable	0	21
Interest distributions	443	0
Interest on debt securities	7,166	7,632
Management charge rebates	4	0
Rebate of ongoing charges from underlying funds	1,056	546
<b>Total revenue</b>	<b>27,947</b>	<b>26,036</b>

## 6 Expenses

for the year to 31 October	2024 £'000	2023 £'000
<b>Payable to the ACD or associate</b>		
Annual charge	8,082	7,831
<b>Total expenses</b>	<b>8,082</b>	<b>7,831</b>

Audit fees for the financial year ending 2024 were £13,000 (2023: £12,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 October	2024 £'000	2023 £'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	2	0
Withholding tax	0	0
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>2</b>	<b>0</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	19,855	18,204
Corporation tax at 20%	3,971	3,641
<b>Effects of:</b>		
Tax on management charge rebates taken to capital	117	181
Revenue: non-taxable	(3,084)	(2,977)
Current year expenses utilised	(1,002)	(845)
<b>Total tax charge (note 7a)</b>	<b>2</b>	<b>0</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset of £4,640,000 (2023: £5,642,000) 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	2024		2023	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
<b>Dividend distributions</b>				
First interim	5,935	1,126	1,846	95
Second interim	2,891	507	2,420	247
Third interim	3,906	558	10,220	2,152
Final	8,978	2,148	6,298	1,188
Total net distributions		26,049		24,466
Income deducted on cancellation of shares		301		505
Income received on issue of shares		(209)		(377)
<b>Distributions</b>		<b>26,141</b>		<b>24,594</b>
Net revenue/(expense) per statement of total return		19,853		18,204
Expenses offset against capital		6,596		6,551
Sharing of relief between classes		(308)		(162)
Undistributed income brought forward		0		1
<b>Distributions</b>		<b>26,141</b>		<b>24,594</b>

## 9 Debtors

as at 31 October	2024 £'000	2023 £'000
Amounts receivable on issues of shares	426	101
Debt security interest receivable	195	580
Distributions receivable	157	0
Management charge rebates due	26	18
Rebate of ongoing charges from underlying funds	54	37
<b>Total debtors</b>	<b>858</b>	<b>736</b>

## 10 Cash and bank balances

as at 31 October	2024 £'000	2023 £'000
Amounts held at futures clearing houses and collateral manager	9,362	16,034
Cash held as bank balances	7,609	9,938
<b>Total cash and bank balances</b>	<b>16,971</b>	<b>25,972</b>

# Financial statements and notes

## 11 Other creditors

as at 31 October	2024 £'000	2023 £'000
Amounts payable on cancellation of shares	1,275	707
Annual charge payable	387	308
Corporation tax payable	2	0
<b>Total other creditors</b>	<b>1,664</b>	<b>1,015</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2023: 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 01.11.23	Issued	Movements Cancelled	Converted	Closing 31.10.24
<b>Sterling</b>					
Class 'A' Income	884,635,517	18,972,899	(72,469,561)	0	831,138,855
Class 'A' Accumulation	45,840,771	4,572,091	(5,798,149)	0	44,614,713
Class 'C' Income	20,786,341	4,696,982	(1,449,498)	0	24,033,825
Class 'I' Income	3,006,411	117,846	(266,659)	0	2,857,598
Class 'I' Accumulation	3,117,716	1,034,496	(225,928)	0	3,926,284
Class 'PP' Income	741,908	0	(127,605)	0	614,303
Class 'PP' Accumulation	787,392	455,070	(90,566)	0	1,151,896
Class 'R' Income	5,357,574	166,141	(716,549)	0	4,807,166
Class 'R' Accumulation	22,758,916	655,579	(2,314,786)	0	21,099,709

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 %
<b>Sterling</b>	
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 £nil (2023: £nil).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £48,307,000 (2023: £39,944,000).

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 11.10% (2023: 10.81%) 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 2024 £'000	Liabilities 2024 £'000	Assets 2023 £'000	Liabilities 2023 £'000
Level 1	758,628	(5,715)	678,370	(9,412)
Level 2	65,208	(475)	82,560	(332)
Level 3	0	0	0	0
	<b>823,836</b>	<b>(6,190)</b>	<b>760,930</b>	<b>(9,744)</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 13 to 15.

## 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 2024 was 20% (2023: 20%).

The lowest, highest and average utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2024 and 31 October 2023.

for the year to 31 October	2024 Utilisation of VaR 20%	2023 Utilisation of VaR 20%
Lowest	27.90	25.10
Highest	32.00	32.00
Average	29.85	28.85

# 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	2024 £'000	2023 £'000
Investment grade securities	114,953	128,448
Below investment grade securities	16,756	41,787
Other investments	685,937	580,951
<b>Total</b>	<b>817,646</b>	<b>751,186</b>

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 2024	Forward currency contracts £'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
<b>Total</b>	<b>(330)</b>	<b>(5,715)</b>

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(8,926)
Barclays Bank	72	0
Citigroup	199	0
Goldman Sachs	7	0
JPMorgan	262	0
State Street Bank	172	0
UBS	(215)	0
<b>Total</b>	<b>497</b>	<b>(8,926)</b>

# Financial statements and notes

## 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 2024 and 31 October 2023 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	2024 £'000	2024 %	2023 £'000	2023 %
Lowest	985,532	118.00	993,787	126.00
Highest	1,915,967	225.00	1,691,798	207.00
Average	1,283,323	151.63	1,140,377	141.21

## 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	01.11.23	31.01.24	01.02.24	31.03.24
Second interim	01.02.24	30.04.24	01.05.24	30.06.24
Third interim	01.05.24	31.07.24	01.08.24	30.09.24
Final	01.08.24	31.10.24	01.11.24	31.12.24

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.

# Financial statements and notes

## Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.2337	0.3708	0.6045	0.1770
Second interim	0.0739	0.2264	0.3003	0.2370
Third interim	0.1644	0.2481	0.4125	1.0212
Final	0.1398	0.8142	0.9540	0.6348

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4761	0.2290	0.7051	0.0173
Second interim	0.2146	0.0924	0.3070	0.1190
Third interim	0.1339	0.1513	0.2852	1.3297
Final	0.3122	0.9359	1.2481	0.7528

## Sterling Class 'C' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4358	0.2162	0.6520	0.1841
Second interim	0.1066	0.1947	0.3013	0.2225
Third interim	0.2725	0.1562	0.4287	1.1409
Final	0.3399	0.7331	1.0730	0.6726

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	6.4552	8.0117	14.4669	4.4704
Second interim	1.9160	5.0400	6.9560	5.9921
Third interim	2.1374	7.5583	9.6957	24.9894
Final	4.0818	19.3458	23.4276	14.9650

# Financial statements and notes

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	7.6473	7.4222	15.0695	2.3092
Second interim	0.9688	4.4142	5.3830	4.2683
Third interim	4.6949	4.1914	8.8863	27.8100
Final	10.1693	16.4884	26.6577	15.5982

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	1.0476	0.0000	1.0476	0.3143
Second interim	0.5009	0.0000	0.5009	0.3729
Third interim	0.0588	0.6390	0.6978	1.8106
Final	1.6985	0.0000	1.6985	1.0848

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.9082	0.0548	0.9630	0.1661
Second interim	0.1048	0.2490	0.3538	0.2320
Third interim	0.3231	0.2440	0.5671	1.7222
Final	0.7262	0.9213	1.6475	0.9740

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.5695	0.9210	1.4905	0.4378
Second interim	0.2124	0.5382	0.7506	0.5864
Third interim	0.1911	0.7248	0.9159	2.5276
Final	0.5965	1.7100	2.3065	1.5718

# Financial statements and notes

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.5272	0.9132	1.4404	0.1055
Second interim	0.4557	0.3178	0.7735	0.3015
Third interim	0.2007	0.1967	0.3974	2.6859
Final	0.9049	1.5865	2.4914	1.5349

## 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 26 April 2024 has been used.

## Investment objective

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

## Investment policy

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

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

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

## Investment approach

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

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

## Benchmark

IA Flexible Investment Sector

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

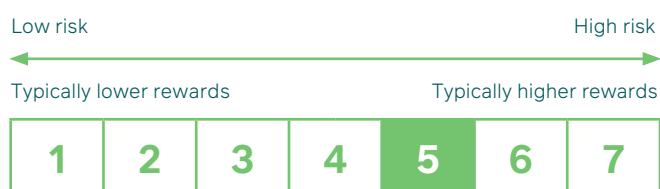
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

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

## Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 13 to 15.

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



### The above number:

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



# Authorised Corporate Director's Report

## Investment review

For the year ended 31 October 2024

### Performance against objective

Over the review period, the M&G Managed Growth Fund delivered a positive total return (the combination of capital growth and income) across all share classes, ahead of its target benchmark\*, which is the IA Flexible Investment Sector average, which delivered 16.1% 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. The benchmark returned 6.4% pa over five years.

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

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

### Performance review

Both bonds and equities posted solid gains in the 12-month review period, benefiting from a backdrop of declining interest rates and resilient economic growth. Falling inflation in major economies in the West, finally allowed some central banks to begin cutting interest rates, starting with the European Central Bank in June 2024, the Bank of England in August and finally the US Federal Reserve in September.

It was perhaps the bond market which saw more twists and turns through the review period, as investors' optimism about the pace of interest rate cuts ebbed and flowed. Developed market government bond yields fell sharply in the final two months of 2023, before rising again for much of the first half of 2024, as investors dialled back expectations on rate cuts. Yields fell again from June onwards, before heading higher in October. Meanwhile, returns on investment grade, high yield and emerging market bonds outpaced developed

market sovereign bonds as investors embraced higher levels of investment risk and credit spreads tightened. (Credit spread is a measure of the difference between the yield of a corporate bond and a government bond of the same maturity.)

The standout performer in equities, was the US stockmarket, which ended the 12-month period close to an all-time high. This was partly a reflection of the strength of the technology sector and investor excitement surrounding artificial intelligence-related businesses. Outside the US, many markets in Europe, Japan and developing economies, also recorded solid double-digit returns.

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

The fund is invested in other funds – typically those managed by M&G – providing exposure primarily to equities, and it was exposure to equity markets that drove the fund's positive return.

Funds making a significant contribution to performance, included the M&G North American Value Fund, the M&G (Lux) Pan European Sustain Paris Aligned Fund, the M&G Global Sustain Paris Aligned Fund and the M&G Asian Fund.

The M&G North American Value Fund invests in cheap and out-of-favour companies, whose share price, in the opinion of the fund manager, does not reflect accurately the valuation of the business. The M&G (Lux) Pan European Sustain Paris Aligned Fund and the M&G Global Sustain Paris Aligned Fund are funds that invest in companies that contribute towards climate change goals. While the M&G Asian Fund primarily invests in companies in the Asia Pacific ex Japan region. The fund manager invests in the shares of companies whose long-term prospects he considers to be undervalued. Stock selection is driven by in-depth analysis of individual companies, with a specific focus on their level of profitability, their corporate governance practices and the valuation of the shares.

# Authorised Corporate Director's Report

A fund that invests in US financial stocks and another that invests in long-dated US Treasury bonds were also significant contributors to performance.

## Investment activities

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

In mid-February 2024, we added a 4% tactical position in the MSCI China, in response to episodic price declines and de-rating, with investors becoming fearful about the market's prospects. This was funded by trimming 1% in each of the M&G Global Sustain Paris Aligned Fund, the M&G Global Themes Fund and the M&G Japan Fund.

Towards the end of the first quarter of 2024, we closed a 5% holding in US financials and invested the proceeds in a mixture of cash and 30-year UK gilts. This scaled back our equity exposure following strong gains, which had compressed valuations to more fairly reflect fundamentals in our view, and given investors an increased sense of comfort around the asset.

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

Following the landslide election victory of the left-wing Morena party in June, Mexican equities and the peso declined rapidly. We responded to this episodic-looking decline by starting a new position in Mexican equities of 3.5% and increased our target for the peso to 4.5%. The increase in peso currency exposure was funded broadly from major developed market currencies.

In early August, we responded to episodic-looking price declines in Japanese and Korean equity markets as investors worried about the potential for further

Japanese interest rate hiking and the unwinding of leveraged carry trades. We opened new positions with a target of 1.5% in both markets, funded by reducing exposure to long-dated US Treasury bonds, and closed the positions at the start of September as the markets substantially recovered.

The majority of the fund remains invested in equities, which we believe will most likely be the primary driver of returns.

## Outlook

We remain moderately constructive on equities, supported by resilient fundamentals and valuations that continue to appear reasonable.

Equity valuations look particularly favourable outside of the US, in our view, with belief sets also appearing more balanced and we continue to see value in areas such as Asian and European equity, alongside more specific idiosyncratic opportunities as in Mexico of late. The US market appears more richly priced, with a degree of excitement around the Big Tech stocks that the index is concentrated in, in particular, although its superior recent track record of earnings growth has warranted a valuation premium, in our view.

We continue to view long-dated US Treasuries as attractively priced, with the potential to offer diversification against the equity assets in the portfolio. Long-dated UK gilts also look interesting at current levels. Given how tight credit spreads are, we prefer to express constructive views elsewhere.

Real yields on cash remain elevated and attractive, in our view, with cash uncorrelated to other asset classes. Cash also provides flexibility to respond to tactical opportunities as they arise.

## 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 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities</b>	<b>919,004</b>	<b>92.05</b>	<b>91.67</b>
<b>Equity portfolios</b>	<b>919,004</b>	<b>92.05</b>	<b>91.67</b>
<b>United Kingdom</b>	<b>82,691</b>	<b>8.28</b>	<b>6.49</b>
28,231,285 M&G Recovery Fund Sterling C Inc. <sup>a</sup>	34,894	3.49	
1,650,244 M&G UK Sustain Paris Aligned Fund Sterling A Inc. <sup>a</sup>	47,797	4.79	
<b>United States</b>	<b>129,066</b>	<b>12.93</b>	<b>20.51</b>
43,919,941 M&G North American Dividend Fund Sterling A Inc. <sup>a</sup>	86,382	8.65	
1,135,365 M&G North American Value Fund Sterling A Inc. <sup>a</sup>	42,684	4.28	
<b>Japan</b>	<b>80,109</b>	<b>8.02</b>	<b>9.14</b>
110,115,041 M&G Japan Fund Sterling A Inc. <sup>a</sup>	80,109	8.02	
<b>Asia Pacific</b>	<b>71,263</b>	<b>7.14</b>	<b>5.72</b>
4,210,675 M&G Asian Fund Sterling A Inc. <sup>a</sup>	71,263	7.14	
<b>Other</b>	<b>555,875</b>	<b>55.68</b>	<b>49.81</b>
7,862,037 M&G (Lux) Episode Macro Fund Sterling SI-H Acc. <sup>a</sup>	106,861	10.70	
2,931,874 M&G (Lux) European Strategic Value Fund Euro C Acc. <sup>a</sup>	39,838	3.99	
1,861,939 M&G (Lux) Global Target Return Fund Euro CI Acc. <sup>a</sup>	19,171	1.92	
3,335,536 M&G (Lux) Pan European Sustain Paris Aligned Fund Euro A Acc. <sup>a</sup>	93,308	9.35	
22,271,610 M&G Global Emerging Markets Fund Sterling A Inc. <sup>a</sup>	67,138	6.72	
15,528,022 M&G Global Strategic Value Fund Sterling I Acc. <sup>a</sup>	45,138	4.52	
11,608,867 M&G Global Sustain Paris Aligned Fund Sterling A Inc. <sup>a</sup>	81,635	8.18	
2,166,562 M&G Global Themes Fund Sterling A Inc. <sup>a</sup>	28,834	2.89	
7,788,251 Xtrackers MSCI Mexico UCITS ETF	33,614	3.37	
1,633,353 Xtrackers MSCI World ex USA UCITS ETF	40,338	4.04	
<b>Fixed income</b>	<b>55,378</b>	<b>5.55</b>	<b>8.09</b>
<b>Fixed income portfolios</b>	<b>25,551</b>	<b>2.56</b>	<b>8.09</b>
<b>Other</b>	<b>25,551</b>	<b>2.56</b>	<b>8.09</b>
8,050,000 iShares USD Treasury Bond 20+yr UCITS ETF	25,551	2.56	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>Government bonds</b>	<b>29,827</b>	<b>2.99</b>	<b>0.00</b>
<b>United Kingdom</b>	<b>29,827</b>	<b>2.99</b>	<b>0.00</b>
£32,300,000 U.K. Gilts 4.375% 31/07/2054	29,827	2.99	
<b>Currency</b>	<b>(580)</b>	<b>(0.06)</b>	<b>0.05</b>
<b>Forward currency contracts</b>	<b>(580)</b>	<b>(0.06)</b>	<b>0.05</b>
HK\$56,663,128 Bought for £5,625,877 (expires 28.01.25)	(1)	0.00	
US\$9,412,924 Bought for £7,257,365 (expires 31.01.25)	(2)	0.00	
AU\$(16,164,560) Sold for £8,195,564 (expires 31.01.25)	3	0.00	
DKK(225,506,656) Sold for £25,340,987 (expires 31.01.25)	(101)	(0.01)	
€(80,251,330) Sold for £67,184,808 (expires 31.01.25)	(294)	(0.03)	
¥(8,830,583,374) Sold for £44,903,296 (expires 31.01.25)	(180)	(0.02)	
CHF(11,308,120) Sold for £10,165,589 (expires 31.01.25)	(2)	0.00	
US\$(6,288,526) Sold for £4,844,296 (expires 31.01.25)	(3)	0.00	
<b>Total portfolio</b>	<b>973,802</b>	<b>97.54</b>	<b>99.81</b>
<b>Net other assets/(liabilities)</b>	<b>24,598</b>	<b>2.46</b>	<b>0.19</b>
<b>Net assets attributable to shareholders</b>	<b>998,400</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> Related party.

# Portfolio statement

## Top portfolio transactions for the year to 31 October 2024

Largest purchases	£'000
U.K. Treasury Bills 0% 09/09/2024	42,036
Xtrackers MSCI World ex USA UCITS ETF	40,288
Xtrackers MSCI Mexico UCITS ETF	37,454
HSBC MSCI China UCITS ETF	37,193
U.K. Gilts 4.375% 31/07/2054	31,790
M&G UK Sustain Paris Aligned Fund Sterling A Inc. <sup>a</sup>	20,017
Amundi MSCI Korea UCITS ETF	14,282
Amundi MSCI Japan UCITS ETF	14,141
M&G Asian Fund Sterling A Inc. <sup>a</sup>	11,739
M&G (Lux) Episode Macro Fund Sterling SI-H Acc. <sup>a</sup>	10,162
Other purchases	20,809
<b>Total purchases</b>	<b>279,911</b>

Largest sales	£'000
Invesco Financials S&P U.S. Select Sector UCITS ETF	76,634
iShares USD Treasury Bond 20+yr UCITS ETF	51,026
U.K. Treasury Bills 0% 09/09/2024	42,563
HSBC MSCI China UCITS ETF	41,510
Amundi MSCI Japan UCITS ETF	15,717
Amundi MSCI Korea UCITS ETF	14,907
M&G Global Sustain Paris Aligned Fund Sterling A Inc. <sup>a</sup>	12,493
M&G Japan Fund Sterling A Inc. <sup>a</sup>	10,867
M&G Global Themes Fund Sterling A Inc. <sup>a</sup>	7,932
<b>Total sales</b>	<b>273,649</b>

<sup>a</sup> 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](http://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 % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+19.7	+7.1	+8.4	+8.6
Class 'A' Accumulation	+19.8	+7.2	+8.5	+8.7
Class 'C' Income	+20.5	+7.8	+9.4	+9.7
Class 'I' Income	+19.8	+7.3	+8.7	+9.1
Class 'I' Accumulation	+19.8	+7.3	+8.7	+9.1
Class 'PP' Income	+19.9	+7.4	+8.9	n/a
Class 'PP' Accumulation	+19.9	+7.4	+8.9	n/a
Class 'R' Income	+19.6	+7.1	+8.5	+8.8
Class 'R' Accumulation	+19.6	+7.0	+8.5	+8.8
<b>Benchmark<sup>b</sup></b>	<b>+16.1</b>	<b>+2.0</b>	<b>+6.4</b>	<b>+9.4</b>

<sup>a</sup> Not annualised.

<sup>b</sup> 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 the 2 February 2021 the Bloomberg Barclays Global Aggregate Index was changed to the GBP hedged version. Thereafter it is the IA Flexible Investment Sector average.

## 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	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	125.34	120.84	127.72
Return before operating charges*	26.17	8.87	(2.73)
Operating charges	(1.49)	(1.36)	(1.31)
Return after operating charges*	24.68	7.51	(4.04)
Distributions	(3.87)	(3.01)	(2.84)
Closing NAV	146.15	125.34	120.84
*after direct transaction cost of	0.02	0.00	0.00
<b>Performance</b>			
Return after charges (%)	19.69	6.21	(3.16)
<b>Other information</b>			
Closing NAV (£'000)	461,355	419,805	444,289
Number of shares	315,675,098	334,932,501	367,651,936
Operating charges (%)	1.05	1.05	1.06
Direct transaction costs (%)	0.01	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	152.17	134.80	131.46
Lowest share price (UK p)	125.50	121.94	118.53

## Sterling Class 'A' Accumulation shares

The share class was launched on 1 October 2002.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	159.07	149.58	154.32
Return before operating charges*	33.01	11.18	(3.13)
Operating charges	(1.90)	(1.69)	(1.61)
Return after operating charges*	31.11	9.49	(4.74)
Distributions	(3.24)	(2.57)	(2.08)
Retained distributions	3.24	2.57	2.08
Closing NAV	190.18	159.07	149.58
*after direct transaction cost of	0.02	0.01	0.00
<b>Performance</b>			
Return after charges (%)	19.56	6.34	(3.07)
<b>Other information</b>			
Closing NAV (£'000)	61,684	50,604	45,316
Number of shares	32,434,463	31,811,609	30,295,815
Operating charges (%)	1.05	1.05	1.06
Direct transaction costs (%)	0.01	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	194.77	168.24	159.11
Lowest share price (UK p)	159.28	150.93	144.20

# 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	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	136.10	130.19	136.38
Return before operating charges*	27.72	8.65	(3.27)
Operating charges	0.00	0.00	0.00
Return after operating charges*	27.72	8.65	(3.27)
Distributions	(3.72)	(2.74)	(2.92)
Closing NAV	160.10	136.10	130.19
*after direct transaction cost of	0.02	0.00	0.00
<b>Performance</b>			
Return after charges (%)	20.37	6.64	(2.40)
<b>Other information</b>			
Closing NAV (£'000)	193,640	151,922	150,362
Number of shares	120,949,208	111,625,287	115,495,717
Operating charges (%)	0.00	0.00	0.01
Direct transaction costs (%)	0.01	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	166.42	146.17	140.37
Lowest share price (UK p)	136.28	131.39	127.54



# 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	1,845.71	1,775.25	1,869.48
Return before operating charges*	378.02	123.47	(42.20)
Operating charges	(13.61)	(12.39)	(12.04)
Return after operating charges*	364.41	111.08	(54.24)
Distributions	(52.81)	(40.62)	(39.99)
Closing NAV	2,157.31	1,845.71	1,775.25
*after direct transaction cost of	0.23	0.07	0.01
<b>Performance</b>			
Return after charges (%)	19.74	6.26	(2.90)
<b>Other information</b>			
Closing NAV (£'000)	70,191	61,495	45,860
Number of shares	3,253,647	3,331,758	2,583,286
Operating charges (%)	0.65	0.65	0.66
Direct transaction costs (%)	0.01	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	2,244.51	1,983.80	1,923.52
Lowest share price (UK p)	1,848.11	1,791.63	1,740.23

## 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	2,233.82	2,102.61	2,165.82
Return before operating charges*	458.36	145.93	(49.23)
Operating charges	(16.58)	(14.72)	(13.98)
Return after operating charges*	441.78	131.21	(63.21)
Distributions	(47.89)	(36.47)	(34.39)
Retained distributions	47.89	36.47	34.39
Closing NAV	2,675.60	2,233.82	2,102.61
*after direct transaction cost of	0.28	0.08	0.01
<b>Performance</b>			
Return after charges (%)	19.78	6.24	(2.92)
<b>Other information</b>			
Closing NAV (£'000)	141,621	89,637	73,813
Number of shares	5,293,040	4,012,727	3,510,550
Operating charges (%)	0.65	0.65	0.66
Direct transaction costs (%)	0.01	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	2,735.36	2,362.83	2,228.32
Lowest share price (UK p)	2,236.67	2,121.68	2,021.42

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	117.87	113.27	119.18
Return before operating charges*	24.12	7.96	(2.74)
Operating charges	(0.73)	(0.67)	(0.64)
Return after operating charges*	23.39	7.29	(3.38)
Distributions	(3.35)	(2.69)	(2.53)
Closing NAV	137.91	117.87	113.27
*after direct transaction cost of	0.01	0.00	0.00
<b>Performance</b>			
Return after charges (%)	19.84	6.44	(2.84)
<b>Other information</b>			
Closing NAV (£'000)	1,347	1,407	1,004
Number of shares	976,506	1,193,784	886,424
Operating charges (%)	0.55	0.55	0.56
Direct transaction costs (%)	0.01	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	143.46	126.67	122.65
Lowest share price (UK p)	118.02	114.31	111.02

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	130.48	122.64	126.24
Return before operating charges*	26.75	8.57	(2.91)
Operating charges	(0.82)	(0.73)	(0.69)
Return after operating charges*	25.93	7.84	(3.60)
Distributions	(2.93)	(2.32)	(2.12)
Retained distributions	2.93	2.32	2.12
Closing NAV	156.41	130.48	122.64
*after direct transaction cost of	0.02	0.00	0.00
<b>Performance</b>			
Return after charges (%)	19.87	6.39	(2.85)
<b>Other information</b>			
Closing NAV (£'000)	4,632	2,828	2,092
Number of shares	2,961,507	2,167,338	1,705,576
Operating charges (%)	0.55	0.55	0.56
Direct transaction costs (%)	0.01	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	159.90	138.00	129.89
Lowest share price (UK p)	130.65	123.75	117.85

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	181.40	174.91	184.66
Return before operating charges*	37.23	12.38	(4.08)
Operating charges	(1.85)	(1.69)	(1.64)
Return after operating charges*	35.38	10.69	(5.72)
Distributions	(5.28)	(4.20)	(4.03)
Closing NAV	211.50	181.40	174.91
*after direct transaction cost of	0.02	0.01	0.00
<b>Performance</b>			
Return after charges (%)	19.50	6.11	(3.10)
<b>Other information</b>			
Closing NAV (£'000)	6,901	6,324	6,247
Number of shares	3,263,105	3,486,093	3,571,511
Operating charges (%)	0.90	0.90	0.91
Direct transaction costs (%)	0.01	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	220.13	195.07	189.99
Lowest share price (UK p)	181.63	176.53	171.54

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	218.20	205.70	212.34
Return before operating charges*	44.86	14.49	(4.74)
Operating charges	(2.23)	(1.99)	(1.90)
Return after operating charges*	42.63	12.50	(6.64)
Distributions	(4.15)	(3.16)	(2.84)
Retained distributions	4.15	3.16	2.84
Closing NAV	260.83	218.20	205.70
*after direct transaction cost of	0.03	0.01	0.00
<b>Performance</b>			
Return after charges (%)	19.54	6.08	(3.13)
<b>Other information</b>			
Closing NAV (£'000)	57,029	50,327	49,737
Number of shares	21,864,111	23,064,165	24,179,104
Operating charges (%)	0.90	0.90	0.91
Direct transaction costs (%)	0.01	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	266.70	230.86	218.92
Lowest share price (UK p)	218.48	207.57	198.31

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 October	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	3		147,192		38,502
Revenue	5	26,002		20,108	
Expenses	6	(7,306)		(6,796)	
Interest payable and similar charges		(14)		(3)	
Net revenue/(expense) before taxation		18,682		13,309	
Taxation	7	(372)		0	
Net revenue/(expense) after taxation			18,310		13,309
<b>Total return before distributions</b>			<b>165,502</b>		<b>51,811</b>
Distributions	8		(23,026)		(17,976)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>142,476</b>		<b>33,835</b>

### Statement of change in net assets attributable to shareholders

for the year to 31 October	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>834,349</b>		<b>818,720</b>
Amounts received on issue of shares	89,506		61,864	
Amounts paid on cancellation of shares	(72,485)		(83,109)	
		17,021		(21,245)
Dilution adjustments		4		7
Change in net assets attributable to shareholders from investment activities (see above)		142,476		33,835
Retained distributions on Accumulation shares		4,541		3,027
Unclaimed distributions		9		5
<b>Closing net assets attributable to shareholders</b>		<b>998,400</b>		<b>834,349</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 October	Note	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		974,385	833,112
<b>Current assets</b>			
Debtors	9	1,928	4,826
Cash and bank balances	10	1,592	8,251
Cash equivalents		43,121	0
<b>Total assets</b>		<b>1,021,026</b>	<b>846,189</b>
<b>Liabilities</b>			
Investment liabilities		(583)	(344)
<b>Creditors</b>			
Bank overdrafts		(6,994)	0
Distribution payable		(13,493)	(10,589)
Other creditors	11	(1,556)	(907)
<b>Total liabilities</b>		<b>(22,626)</b>	<b>(11,840)</b>
<b>Net assets attributable to shareholders</b>		<b>998,400</b>	<b>834,349</b>

# 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 13.

### 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	2024 £'000	2023 £'000
Non-derivative securities	129,341	21,804
Derivative contracts	12,072	11,761
Currency gains/(losses)	641	(246)
Management charge rebates taken to capital	5,113	5,060
Rebate of ongoing charges from underlying funds taken to capital	25	123
<b>Net capital gains/(losses)</b>	<b>147,192</b>	<b>38,502</b>

Includes realised gains of £69,976,000 and unrealised gains of £72,078,000 (2023: realised gains of £38,176,000 and unrealised losses of £4,857,000). 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	2024 £'000	% of transaction	2023 £'000	% of transaction
<b>a) Purchases</b>				
<b>Debt securities</b>	<b>73,826</b>		<b>0</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	206,041		73,365	
Commissions	44	0.02	22	0.03
<b>Collective investment schemes after transaction costs</b>	<b>206,085</b>		<b>73,387</b>	
<b>Total purchases after transaction costs</b>	<b>279,911</b>		<b>73,387</b>	
<b>b) Sales</b>				
<b>Debt securities</b>	<b>42,563</b>		<b>0</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	231,146		72,657	
Commissions	(60)	(0.03)	(8)	0.01
<b>Collective investment schemes after transaction costs</b>	<b>231,086</b>		<b>72,649</b>	
<b>Total sales after transaction costs</b>	<b>273,649</b>		<b>72,649</b>	
	2024 £'000	% of average NAV	2023 £'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Collective investment schemes	104	0.01	30	0.00
<b>Total direct portfolio transaction costs</b>	<b>104</b>	<b>0.01</b>	<b>30</b>	<b>0.00</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.02		0.02

# Financial statements and notes

## 5 Revenue

for the year to 31 October	2024 £'000	2023 £'000
Bank interest	140	106
Distributions from collective investment schemes: non-taxable	15,103	15,341
Distributions from collective investment schemes: taxable	4,720	745
Interest distributions	280	0
Interest on debt securities	1,332	0
Management charge rebates	4,255	3,904
Rebate of ongoing charges from underlying funds	172	12
<b>Total revenue</b>	<b>26,002</b>	<b>20,108</b>

## 6 Expenses

for the year to 31 October	2024 £'000	2023 £'000
<b>Payable to the ACD or associate</b>		
Annual charge	7,306	6,796
<b>Total expenses</b>	<b>7,306</b>	<b>6,796</b>

Audit fees for the financial year ending 2024 were £13,000 (2023: £12,000) (including VAT), which are covered by the annual charge.



# Financial statements and notes

## 7 Taxation

for the year to 31 October	2024 £'000	2023 £'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	372	0
Withholding tax	0	0
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>372</b>	<b>0</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	18,682	13,309
Corporation tax at 20%	3,736	2,662
<b>Effects of:</b>		
Tax on management charge rebates taken to capital	1,028	1,037
Revenue: non-taxable	(3,021)	(3,068)
Current year expenses utilised	(1,371)	(631)
<b>Total tax charge (note 7a)</b>	<b>372</b>	<b>0</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset of £265,000 (2023: £1,636,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

## 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	2024		2023	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
<b>Dividend distributions</b>				
Interim	5,171	818	4,228	620
Final	13,493	3,723	10,589	2,407
<b>Total net distributions</b>	<b>23,205</b>		<b>17,844</b>	
Income deducted on cancellation of shares	388		320	
Income received on issue of shares	(567)		(188)	
<b>Distributions</b>	<b>23,026</b>		<b>17,976</b>	
Net revenue/(expense) per statement of total return	18,310		13,309	
Expenses offset against capital	5,373		5,249	
Sharing of relief between classes	(657)		(582)	
<b>Distributions</b>	<b>23,026</b>		<b>17,976</b>	

# Financial statements and notes

## 9 Debtors

as at 31 October	2024 £'000	2023 £'000
Amounts receivable on issues of shares	982	963
Debt security interest receivable	353	0
Distributions receivable	123	0
Management charge rebates due	457	345
Rebate of ongoing charges from underlying funds	13	7
Sales awaiting settlement	0	3,511
<b>Total debtors</b>	<b>1,928</b>	<b>4,826</b>

## 10 Cash and bank balances

as at 31 October	2024 £'000	2023 £'000
Cash held as bank balances	1,592	8,251
<b>Total cash and bank balances</b>	<b>1,592</b>	<b>8,251</b>

## 11 Other creditors

as at 31 October	2024 £'000	2023 £'000
Amounts payable on cancellation of shares	836	636
Annual charge payable	348	271
Corporation tax payable	372	0
<b>Total other creditors</b>	<b>1,556</b>	<b>907</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2023: same).

# Financial statements and notes

## 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 01.11.23	Issued	Movements Cancelled	Converted	Closing 31.10.24
<b>Sterling</b>					
Class 'A' Income	334,932,501	6,207,964	(25,465,367)	0	315,675,098
Class 'A' Accumulation	31,811,609	3,770,940	(3,148,086)	0	32,434,463
Class 'C' Income	111,625,287	19,844,481	(10,520,560)	0	120,949,208
Class 'I' Income	3,331,758	157,522	(235,633)	0	3,253,647
Class 'I' Accumulation	4,012,727	1,374,585	(94,272)	0	5,293,040
Class 'PP' Income	1,193,784	60,542	(277,820)	0	976,506
Class 'PP' Accumulation	2,167,338	1,672,121	(877,952)	0	2,961,507
Class 'R' Income	3,486,093	250,942	(473,930)	0	3,263,105
Class 'R' Accumulation	23,064,165	680,013	(1,880,067)	0	21,864,111

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.

## 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 %
<b>Sterling</b>	
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.

# Financial statements and notes

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 £90,818,000 (2023: £54,361,000).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £845,052,000 (2023: £698,620,000).

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 25.45% (2023: 23.16%) 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.

### 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 2024	Liabilities 2024	Assets 2023	Liabilities 2023
Basis of valuation	£'000	£'000	£'000	£'000
Level 1	129,330	0	133,713	0
Level 2	845,055	(583)	699,399	(344)
Level 3	0	0	0	0
	<b>974,385</b>	<b>(583)</b>	<b>833,112</b>	<b>(344)</b>

## 17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 13 to 15.

## 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 2024 was 20% (2023: 20%).

# Financial statements and notes

The lowest, highest and average utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2024 and 31 October 2023.

for the year to 31 October	2024 Utilisation of VaR 20%	2023 Utilisation of VaR 20%
Lowest	29.85	29.20
Highest	34.05	40.15
Average	31.65	35.25

## 19 Credit risk

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

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 2024	Forward currency contracts £'000
BNP Paribas	(2)
Citigroup	(103)
Royal Bank of Canada	(1)
State Street Bank	(292)
UBS	(182)
<b>Total</b>	<b>(580)</b>

as at 31 October 2023	Forward currency contracts £'000
Citigroup	369
JPMorgan	(84)
State Street Bank	(112)
UBS	262
<b>Total</b>	<b>435</b>

## 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 2024 and 31 October 2023 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	2024 £'000	2024 %	2023 £'000	2023 %
Lowest	1,029,208	114.00	1,022,951	121.00
Highest	1,701,320	176.00	1,587,234	183.00
Average	1,189,116	125.00	1,122,706	129.38

## 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	01.11.23	30.04.24	01.05.24	30.06.24
Final	01.05.24	31.10.24	01.11.24	31.12.24

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	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
Interim	0.6994	0.3881	1.0875	0.9125
Final	1.9915	0.7945	2.7860	2.0998

# Financial statements and notes

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
Interim	0.1159	0.3575	0.4734	0.6715
Final	1.8220	0.9467	2.7687	1.9024

## Sterling Class 'C' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
Interim	0.4182	0.5679	0.9861	0.5577
Final	0.6878	2.0483	2.7361	2.1840

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
Interim	7.3148	7.3514	14.6662	10.8545
Final	21.2723	16.8740	38.1463	29.7646

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
Interim	4.4689	5.4961	9.9650	7.2763
Final	24.0631	13.8656	37.9287	29.1920

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
Interim	0.4980	0.4257	0.9237	0.7934
Final	1.8371	0.5847	2.4218	1.8932

# Financial statements and notes

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
Interim	0.1955	0.4399	0.6354	0.5514
Final	1.3129	0.9840	2.2969	1.7707

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
Interim	0.6962	0.7939	1.4901	1.2274
Final	2.8072	0.9850	3.7922	2.9756

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
Interim	0.2983	0.4241	0.7224	0.5894
Final	1.8483	1.5797	3.4280	2.5668

## 22 Events after the balance sheet date

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



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

## Investment objective

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

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

## Investment policy

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

The fund will typically invest 20-60% of its assets in equities and convertibles, 20-80% in fixed income securities or cash, and up to 20% in other assets. These allocations reflect the net exposure of the portfolio.

The fund invests in assets that meet the ESG criteria and/or impact criteria. This is achieved through the use of M&G's proprietary analysis and/or third party ESG information. Typically, the fund holds 20%-60% of its net asset value in positive impact assets. It always holds at least 20% of its net asset value in positive impact assets.

The following types of exclusions apply to the fund's direct investments:

- Norms-based exclusions: investments that are assessed to be in breach of commonly accepted standards of behaviour related to human rights, labour rights, environment and anti-corruption.

- Sector-based and/or values-based exclusions: investments and/or sectors exposed to business activities that are assessed to be damaging to human health, societal wellbeing, the environment, or otherwise assessed to be misaligned with the fund's sector-based and/or values-based criteria.
- Other exclusions: investments assessed to be otherwise in conflict with the ESG criteria and/or impact criteria.

References to 'assessed' above mean assessment in accordance with the ESG criteria and impact criteria document as referenced in the ESG Information section below. Further information on the exclusions applicable to the fund can be found in the Prospectus.

Collective investment schemes and derivatives may be subject to different ESG criteria and/or impact criteria than securities held directly. The fund manager will assess the suitability of such instruments relative to the fund's investment objective. If a derivative does not satisfy the ESG criteria and/or impact criteria, the fund may only invest via the instrument to take advantage of short-term market movements and to hedge currency exposures. It may also not be practicable to perform ESG analysis on cash and near cash to the same standards as other securities held directly.

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

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

## Investment approach

The fund's approach to sustainable investment is through flexible asset allocation, whilst investing in securities issued by companies or governments that uphold high standards of environmental, social and governance behaviour as set out in the ESG criteria. In addition, the fund maintains a core holding of assets that have a positive societal impact through addressing

# Authorised Corporate Director's Report

the world's major social and environmental challenges as set out in the impact criteria.

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

The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. The fund's annualised volatility is expected to be between 4% and 7%, over any five-year period.

## ESG information

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

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

## Benchmark

None

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

## Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 13 to 15.

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



### The above number:

- is based on the rate at which the value of the fund has moved up and down in the past and is based on historical data so may not be a reliable indicator of the future risk profile of the fund.
- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has changed during this period. From 1 November 2023 to 19 November 2023 the risk number was 4.

## Investment review

For the year ended 31 October 2024

### Performance against objective

Between 1 November 2023 (the start of the review period) and 31 October 2024, the M&G Sustainable Multi Asset Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. The fund also delivered a positive total return when measured over a five-year period, although this was below that of its objective of 4-8% pa. The fund, therefore, did not achieve its objective.

### Performance review

Falling inflation, broadly encouraging economic data and the commencement of central bank interest rate cuts helped most major equity and bond markets register positive returns over the period. The fund remained invested across a diversified range of global

# Authorised Corporate Director's Report

asset classes and was able to deliver a healthy return in this environment.

The fund's equity exposure was the main driver of returns overall. Many of the fund's 'positive impact' equity investments performed well, benefiting from an easing in the outlook for financing costs, particularly in the final months of 2023 as expectations of interest rate cuts grew and bond yields fell sharply.

The fund favoured undervalued equity markets throughout the period. For example, a decision to add tactical exposure to Hong Kong/China equities in January was rewarded as these markets bounced back from extreme levels of market pessimism.

Political uncertainty created by elections in Europe contributed to some price weakness among European assets in June, however our equity exposure here was a leading contributor over the entire period, benefiting from the European Central Bank's decision to become one of the first major central banks to cut rates.

Changeable news flow on the state of the US economy and speculation over the potential size of interest rate cuts triggered bouts of market volatility at times. The US Federal Reserve (Fed) opted for a 0.5% cut in September which positively surprised markets. Meanwhile, in China, a stimulus announcement heralded a sharp rally in Chinese equities.

The third quarter witnessed a notable market rotation into small cap equities, value equities and other interest-rate sensitive areas of the equity market following the release of weakening inflation and jobs data in the US. This benefited the fund's listed green infrastructure holdings which were a notable performance contributor over the second half of the period.

The fund's diversified mix of duration assets – including several sovereign green bonds and supranational bonds across various jurisdictions – performed well and acted as a valuable diversifier during bouts of volatility in other asset classes. Duration is a measure of a bond's sensitivity to changes in interest rates – the longer a bond's duration the more sensitive it is to interest rate

movements. The fund's emerging market debt exposure also increased in value over the period, however gains were wiped out by weakening local emerging market (EM) currencies versus sterling, particularly in Latin America.

The fund's natural aversion to the high-carbon energy sector was beneficial given a subdued oil price over the period.

## Investment activities

In the bond space, we diversified our developed market sovereign bond exposure at the start of the period, favouring a more balanced exposure across the yield curve and across countries. (The yield curve is a graphical representation of the interest rates on debt for a range of maturities.) We continued this process in the first quarter by reducing holdings of five-year US Treasuries in favour of 30-year German bunds. The fund also reduced its EM sovereign bond exposure slightly in March.

We took the opportunity to acquire further sustainable assets at what we considered attractive valuations by adding to an existing position in locally-domiciled Mexican sustainable bonds, after sharp price falls across Mexican assets following the country's elections in the second quarter of 2024.

We added to US 30-year bonds and a UK sovereign green bond at the start of August – increasing duration at a time when inflation was continuing to normalise and bond yields remained elevated.

Towards the end of the period, we reduced our holdings of high yield bonds in favour of attractively valued UK equities. Among our EM bond holdings, we sold a position in Chile in favour of a green bond in Mexico and a Turkish lira-denominated supranational bond. Finally, we switched from 10-year US Treasuries into an Australian green bond, maintaining fund duration but better diversifying our bond exposure further.

## Outlook

The foundation of our multi-asset approach is to look for opportunities at the intersection of compelling asset

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class valuations, sentiment-driven price action and an assessment of macroeconomic fundamentals.

While resilient corporate earnings expectations and an improving inflation outlook have helped global equities continue to nudge all-time highs and credit spreads to tighten, we must not get complacent to the risks being expressed by some asset class valuations.

For these reasons, the fund remains moderately defensively positioned, with significant duration exposure and close to neutral equity exposure. We retain moderate levels of risk in the portfolio with plenty of flexibility to add to risk positions should market volatility present opportunities.

## **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 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities</b>	<b>17,635</b>	<b>50.20</b>	<b>41.24</b>
<b>United Kingdom</b>	<b>2,812</b>	<b>8.00</b>	<b>5.78</b>
<b>UK equities</b>	<b>2,812</b>	<b>8.00</b>	<b>5.78</b>
37,857 Aviva PLC	173	0.49	
5,635 Bank of Georgia Group PLC	234	0.67	
7,647 Compass Group PLC	191	0.54	
46,491 DS Smith PLC	234	0.67	
396,331 Greencoat U.K. Wind PLC	525	1.49	
9,658 GSK PLC	133	0.38	
685,199 Home REIT PLC <sup>a</sup>	97	0.28	
1,075 London Stock Exchange Group PLC	112	0.32	
42,588 NatWest Group PLC	159	0.45	
620,901 Octopus Renewables Infrastructure Trust PLC	486	1.38	
5,217 RELX PLC	186	0.53	
3,027 Unilever PLC	142	0.40	
195,175 Vodafone Group PLC	140	0.40	
<b>Belgium</b>	<b>107</b>	<b>0.30</b>	<b>0.00</b>
<b>Belgian equities</b>	<b>107</b>	<b>0.30</b>	<b>0.00</b>
1,907 KBC Group NV	107	0.30	
<b>Denmark</b>	<b>713</b>	<b>2.03</b>	<b>2.11</b>
<b>Danish equities</b>	<b>713</b>	<b>2.03</b>	<b>2.11</b>
10,380 ALK-Abello AS	187	0.53	
2,102 Novo Nordisk AS	179	0.51	
3,653 Orsted AS	166	0.47	
12,415 Vestas Wind Systems AS	181	0.52	
<b>France</b>	<b>419</b>	<b>1.19</b>	<b>2.41</b>
<b>French equities</b>	<b>419</b>	<b>1.19</b>	<b>2.41</b>
474 L'Oreal SA	136	0.39	
1,418 Schneider Electric SE	283	0.80	
<b>Germany</b>	<b>1,320</b>	<b>3.76</b>	<b>1.88</b>
<b>German equities</b>	<b>1,320</b>	<b>3.76</b>	<b>1.88</b>
1,002 Allianz SE	243	0.69	
3,692 Bayerische Motoren Werke AG	226	0.64	

# Portfolio statement

## Investments (continued)

Holding		as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>				
<b>Germany (continued)</b>				
<b>German equities (continued)</b>				
5,752	Fresenius Medical Care AG	171	0.49	
511	Hannover Rueck SE	103	0.29	
4,317	Infineon Technologies AG	107	0.31	
1,433	SAP SE	261	0.74	
1,398	Siemens AG	209	0.60	
<b>Guernsey</b>		<b>483</b>	<b>1.38</b>	<b>1.45</b>
<b>Guernsey equities</b>		<b>483</b>	<b>1.38</b>	<b>1.45</b>
495,918	Renewables Infrastructure Group Ltd.	483	1.38	
<b>Ireland</b>		<b>540</b>	<b>1.54</b>	<b>1.38</b>
<b>Irish equities</b>		<b>540</b>	<b>1.54</b>	<b>1.38</b>
720,000	Greencoat Renewables PLC <sup>b</sup>	540	1.54	
<b>Italy</b>		<b>0</b>	<b>0.00</b>	<b>0.97</b>
<b>Italian equities</b>		<b>0</b>	<b>0.00</b>	<b>0.97</b>
<b>Netherlands</b>		<b>419</b>	<b>1.19</b>	<b>0.53</b>
<b>Dutch equities</b>		<b>419</b>	<b>1.19</b>	<b>0.53</b>
459	ASML Holding NV	242	0.69	
13,433	ING Groep NV	177	0.50	
<b>Spain</b>		<b>454</b>	<b>1.29</b>	<b>1.64</b>
<b>Spanish equities</b>		<b>454</b>	<b>1.29</b>	<b>1.64</b>
31,818	CaixaBank SA	148	0.42	
15,810	EDP Renovaveis SA	166	0.47	
3,198	Industria de Diseno Textil SA	140	0.40	
<b>Switzerland</b>		<b>107</b>	<b>0.31</b>	<b>0.00</b>
<b>Swiss equities</b>		<b>107</b>	<b>0.31</b>	<b>0.00</b>
958	Cie Financiere Richemont SA	107	0.31	
<b>United States</b>		<b>6,699</b>	<b>19.07</b>	<b>13.09</b>
<b>US equities</b>		<b>6,699</b>	<b>19.07</b>	<b>13.09</b>
1,392	Agilent Technologies, Inc.	140	0.40	
2,559	Alphabet, Inc. A	343	0.98	
3,645	AMERISAFE, Inc.	153	0.44	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>United States (continued)</b>			
<b>US equities (continued)</b>			
441 Amgen, Inc.	108	0.31	
575 ANSYS, Inc.	144	0.41	
2,206 Apple, Inc.	391	1.11	
647 Autodesk, Inc.	143	0.41	
2,827 Ball Corp.	139	0.40	
770 Becton Dickinson & Co.	140	0.40	
43 Booking Holdings, Inc.	147	0.42	
1,396 Bright Horizons Family Solutions, Inc.	142	0.40	
1,867 Broadcom, Inc.	251	0.71	
2,908 eBay, Inc.	131	0.37	
2,359 Enphase Energy, Inc.	151	0.43	
1,395 Johnson & Johnson	173	0.49	
5,447 Johnson Controls International PLC	319	0.91	
1,028 Lowe's Cos., Inc.	206	0.59	
1,864 Marsh & McLennan Cos., Inc.	317	0.90	
450 Mastercard, Inc.	179	0.51	
575 Meta Platforms, Inc.	257	0.73	
1,199 Microsoft Corp.	387	1.10	
185 Netflix, Inc.	107	0.31	
1,735 NIKE, Inc.	102	0.29	
3,648 NVIDIA Corp.	388	1.10	
2,724 ON Semiconductor Corp.	155	0.44	
1,718 PayPal Holdings, Inc.	103	0.29	
546 Procter & Gamble Co.	70	0.20	
1,389 QUALCOMM, Inc.	179	0.51	
1,178 Quest Diagnostics, Inc.	141	0.40	
1,361 Republic Services, Inc.	208	0.59	
321 Thermo Fisher Scientific, Inc.	135	0.38	
1,006 UniFirst Corp.	142	0.40	
328 UnitedHealth Group, Inc.	143	0.41	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>United States (continued)</b>			
<b>US equities (continued)</b>			
1,142 Visa, Inc.	255	0.73	
3,335 Walmart, Inc.	210	0.60	
<b>Canada</b>	<b>74</b>	<b>0.21</b>	<b>0.45</b>
<b>Canadian equities</b>	<b>74</b>	<b>0.21</b>	<b>0.45</b>
4,027 Boralex, Inc.	74	0.21	
<b>Brazil</b>	<b>0</b>	<b>0.00</b>	<b>0.79</b>
<b>Brazilian equities</b>	<b>0</b>	<b>0.00</b>	<b>0.79</b>
<b>Japan</b>	<b>1,075</b>	<b>3.06</b>	<b>2.34</b>
<b>Japanese equities</b>	<b>1,075</b>	<b>3.06</b>	<b>2.34</b>
11,900 Astellas Pharma, Inc.	107	0.30	
9,000 Hitachi Ltd.	175	0.50	
3,070 Horiba Ltd.	147	0.42	
7,300 Katitas Co. Ltd.	71	0.20	
241,400 Nippon Telegraph & Telephone Corp.	179	0.51	
1,500 Recruit Holdings Co. Ltd.	71	0.20	
187,800 SoftBank Corp.	182	0.52	
10,500 Sony Group Corp.	143	0.41	
<b>Australia</b>	<b>403</b>	<b>1.15</b>	<b>1.06</b>
<b>Australian equities</b>	<b>403</b>	<b>1.15</b>	<b>1.06</b>
23,677 Brambles Ltd.	220	0.63	
1,280 Cochlear Ltd.	183	0.52	
<b>Hong Kong</b>	<b>588</b>	<b>1.67</b>	<b>1.56</b>
<b>Hong Kong equities</b>	<b>588</b>	<b>1.67</b>	<b>1.56</b>
44,152 AIA Group Ltd.	268	0.76	
166,000 Lenovo Group Ltd.	169	0.48	
96,200 Swire Properties Ltd.	151	0.43	
<b>India</b>	<b>173</b>	<b>0.49</b>	<b>0.47</b>
<b>Indian equities</b>	<b>173</b>	<b>0.49</b>	<b>0.47</b>
3,509 HDFC Bank Ltd. ADR	173	0.49	



# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>Indonesia</b>	<b>207</b>	<b>0.59</b>	<b>0.00</b>
<b>Indonesian equities</b>	<b>207</b>	<b>0.59</b>	<b>0.00</b>
878,900 Bank Rakyat Indonesia Persero Tbk. PT	207	0.59	
<b>South Korea</b>	<b>169</b>	<b>0.48</b>	<b>0.48</b>
<b>South Korean equities</b>	<b>169</b>	<b>0.48</b>	<b>0.48</b>
5,100 Samsung Electronics Co. Ltd.	169	0.48	
<b>Taiwan</b>	<b>873</b>	<b>2.49</b>	<b>2.18</b>
<b>Taiwanese equities</b>	<b>873</b>	<b>2.49</b>	<b>2.18</b>
48,000 ASE Technology Holding Co. Ltd.	181	0.52	
112,073 Cathay Financial Holding Co. Ltd.	185	0.53	
356,556 E.Sun Financial Holding Co. Ltd.	235	0.67	
11,000 Taiwan Semiconductor Manufacturing Co. Ltd.	272	0.77	
<b>South Africa</b>	<b>0</b>	<b>0.00</b>	<b>0.67</b>
<b>South African equities</b>	<b>0</b>	<b>0.00</b>	<b>0.67</b>
<b>Fixed income</b>	<b>16,469</b>	<b>46.87</b>	<b>52.59</b>
<b>United Kingdom</b>	<b>6,575</b>	<b>18.71</b>	<b>27.99</b>
<b>Government bonds</b>	<b>5,857</b>	<b>16.67</b>	<b>26.45</b>
£2,300,000 U.K. Gilts 0.875% 31/07/2033	1,725	4.91	
£2,450,000 U.K. Gilts 1.5% 31/07/2053	1,192	3.39	
£1,770,000 U.K. Treasury Bills 0% 09/12/2024	1,761	5.01	
£900,000 U.K. Treasury Bills 0% 10/03/2025	885	2.52	
£300,000 U.K. Treasury Bills 0% 07/04/2025	294	0.84	
<b>Investment grade corporate bonds</b>	<b>718</b>	<b>2.04</b>	<b>1.54</b>
IDR8,200,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	378	1.07	
IDR9,590,000 European Bank for Reconstruction & Development 28% 27/09/2027	179	0.51	
€200,000 Vodafone Group PLC 0.9% 24/11/2026	161	0.46	
<b>Belgium</b>	<b>162</b>	<b>0.46</b>	<b>0.59</b>
<b>Investment grade corporate bonds</b>	<b>162</b>	<b>0.46</b>	<b>0.59</b>
€200,000 KBC Group NV Var 0.25% 01/03/2027	162	0.46	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>France</b>	<b>490</b>	<b>1.39</b>	<b>2.01</b>
<b>Investment grade corporate bonds</b>	<b>490</b>	<b>1.39</b>	<b>1.54</b>
US\$220,000 Electricite de France SA 3.625% 13/10/2025	167	0.48	
€200,000 Societe Generale SA Var 0.875% 22/09/2028	156	0.44	
€200,000 Unibail-Rodamco-Westfield SE 3.5% 11/09/2029	167	0.47	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.47</b>
<b>Germany</b>	<b>2,066</b>	<b>5.88</b>	<b>1.99</b>
<b>Government bonds</b>	<b>1,828</b>	<b>5.20</b>	<b>0.98</b>
€870,000 Bundesrepublik Deutschland Bundesanleihe 0% 15/08/2030	642	1.82	
€880,000 Bundesrepublik Deutschland Bundesanleihe 1.8% 15/08/2053	614	1.75	
€685,000 Bundesrepublik Deutschland Bundesanleihe 2.3% 15/02/2033	572	1.63	
<b>Investment grade corporate bonds</b>	<b>238</b>	<b>0.68</b>	<b>0.65</b>
€350,000 Mercedes-Benz Group AG 0.75% 11/03/2033	238	0.68	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.36</b>
<b>Italy</b>	<b>186</b>	<b>0.53</b>	<b>0.93</b>
<b>Government bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.47</b>
<b>Investment grade corporate bonds</b>	<b>186</b>	<b>0.53</b>	<b>0.46</b>
€213,000 Intesa Sanpaolo SpA 4.75% 06/09/2027	186	0.53	
<b>Luxembourg</b>	<b>1,394</b>	<b>3.97</b>	<b>2.14</b>
<b>Investment grade corporate bonds</b>	<b>1,394</b>	<b>3.97</b>	<b>2.14</b>
ZAR17,400,000 European Investment Bank 0% 18/10/2032	374	1.07	
US\$1,380,000 European Investment Bank 3.75% 14/02/2033	1,020	2.90	
<b>Netherlands</b>	<b>397</b>	<b>1.13</b>	<b>0.58</b>
<b>Investment grade corporate bonds</b>	<b>397</b>	<b>1.13</b>	<b>0.58</b>
€300,000 EDP Finance BV 1.875% 21/09/2029	237	0.67	
€200,000 ING Groep NV 2.5% 15/11/2030	160	0.46	
<b>Portugal</b>	<b>0</b>	<b>0.00</b>	<b>0.79</b>
<b>Investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.79</b>

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>Sweden</b>	<b>193</b>	<b>0.55</b>	<b>1.02</b>
<b>Investment grade corporate bonds</b>	<b>193</b>	<b>0.55</b>	<b>0.47</b>
€240,000 Swedbank AB Var 0.3% 20/05/2027	193	0.55	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.55</b>
<b>United States</b>	<b>3,287</b>	<b>9.36</b>	<b>11.90</b>
<b>Investment grade corporate bonds</b>	<b>3,287</b>	<b>9.36</b>	<b>11.00</b>
€100,000 Apple, Inc. 0% 15/11/2025	82	0.23	
US\$240,000 Apple, Inc. 3% 20/06/2027	179	0.51	
US\$350,000 Boston Properties LP 2.55% 01/04/2032	220	0.63	
US\$230,000 HCA, Inc. 5.45% 01/04/2031	179	0.51	
US\$1,000,000 Inter-American Development Bank 4.375% 24/01/2044	727	2.07	
IDR3,700,000,000 Inter-American Development Bank 5.1% 17/11/2026	177	0.50	
MXN14,300,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	513	1.46	
BRL4,200,000 International Bank for Reconstruction & Development 5% 22/01/2026	526	1.50	
INR40,000,000 International Bank for Reconstruction & Development 6.85% 24/04/2028	365	1.04	
US\$170,000 Prologis LP 1.25% 15/10/2030	107	0.31	
US\$320,000 Xylem, Inc. 2.25% 30/01/2031	212	0.60	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.90</b>
<b>Chile</b>	<b>383</b>	<b>1.09</b>	<b>2.76</b>
<b>Government bonds</b>	<b>383</b>	<b>1.09</b>	<b>2.76</b>
€650,000 Chile Government International Bonds 1.25% 29/01/2040	383	1.09	
<b>Colombia</b>	<b>333</b>	<b>0.95</b>	<b>1.21</b>
<b>Government bonds</b>	<b>333</b>	<b>0.95</b>	<b>1.21</b>
COP2,250,000,000 Colombia TES 7% 26/03/2031	333	0.95	
<b>Mexico</b>	<b>553</b>	<b>1.57</b>	<b>0.00</b>
<b>Government bonds</b>	<b>553</b>	<b>1.57</b>	<b>0.00</b>
MXN16,600,000 Mexico Bonos 8% 24/05/2035	553	1.57	
<b>Australia</b>	<b>603</b>	<b>1.72</b>	<b>0.00</b>
<b>Government bonds</b>	<b>603</b>	<b>1.72</b>	<b>0.00</b>
AU\$1,214,000 Australia Government Bonds 4.25% 21/06/2034	603	1.72	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>Debt derivatives</b>	<b>(153)</b>	<b>(0.44)</b>	<b>(1.32)</b>
<b>Interest rate futures</b>	<b>(153)</b>	<b>(0.44)</b>	<b>(1.32)</b>
22 CBOT Ultra Long-Term U.S. Treasury Bond Futures Dec 2024	(153)	(0.44)	
<b>Fixed income portfolios</b>	<b>255</b>	<b>0.73</b>	<b>0.00</b>
<b>Other</b>	<b>255</b>	<b>0.73</b>	<b>0.00</b>
41,000 iShares EUR Corp. Bond ESG UCITS ETF	164	0.47	
24,000 iShares USD Corp. Bond ESG UCITS ETF	91	0.26	
<b>Currency</b>	<b>(40)</b>	<b>(0.11)</b>	<b>0.02</b>
<b>Forward currency contracts</b>	<b>(40)</b>	<b>(0.11)</b>	<b>0.02</b>
US\$229,958 Bought for KRW309,342,113 (expires 15.01.25)	4	0.01	
AU\$(2,077,741) Sold for £1,053,432 (expires 31.01.25)	1	0.00	
CA\$(246,489) Sold for £137,255 (expires 31.01.25)	0	0.00	
DKK(6,483,545) Sold for £728,579 (expires 31.01.25)	(3)	(0.01)	
€(8,938,491) Sold for £7,483,126 (expires 31.01.25)	(33)	(0.09)	
HK\$(6,182,420) Sold for £613,830 (expires 28.01.25)	0	0.00	
CHF(121,248) Sold for £108,997 (expires 31.01.25)	0	0.00	
US\$(7,455,282) Sold for £5,743,094 (expires 31.01.25)	(3)	(0.01)	
US\$193,829 Bought for TWD6,175,382 (expires 15.01.25)	(1)	0.00	
US\$1,007,901 Bought for TWD32,093,584 (expires 21.01.25)	(5)	(0.01)	
<b>Total portfolio</b>	<b>34,319</b>	<b>97.69</b>	<b>93.85</b>
<b>Net other assets/(liabilities)</b>	<b>813</b>	<b>2.31</b>	<b>6.15</b>
<b>Net assets attributable to shareholders</b>	<b>35,132</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> Suspended/delisted.

<sup>b</sup> AIM quoted.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 October 2024

Largest purchases	£'000
U.K. Treasury Bills 0% 17/06/2024	3,362
U.K. Treasury Bills 0% 09/12/2024	2,493
European Investment Bank 3.75% 14/02/2033	1,401
U.K. Treasury Bills 0% 05/08/2024	1,117
International Bank for Reconstruction & Development 0.75% 26/08/2030	1,113
U.K. Treasury Bills 0% 02/12/2024	1,094
U.K. Gilts 1.5% 31/07/2053	1,014
U.K. Treasury Bills 0% 16/12/2024	962
U.K. Treasury Bills 0% 10/06/2024	923
U.K. Treasury Bills 0% 10/03/2025	881
Other purchases	24,054
<b>Total purchases</b>	<b>38,414</b>

Largest sales	£'000
U.K. Treasury Bills 0% 17/06/2024	3,434
U.K. Treasury Bills 0% 15/01/2024	3,358
U.K. Treasury Bills 0% 04/12/2023	1,794
U.K. Treasury Bills 0% 19/02/2024	1,356
International Bank for Reconstruction & Development 0.75% 26/08/2030	1,144
U.K. Treasury Bills 0% 05/08/2024	1,137
U.K. Treasury Bills 0% 02/12/2024	1,114
U.K. Treasury Bills 0% 16/12/2024	968
U.K. Treasury Bills 0% 20/11/2023	949
U.K. Treasury Bills 0% 10/06/2024	937
Other sales	29,746
<b>Total sales</b>	<b>45,937</b>

# 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](http://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 % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+12.1	-0.8	+2.0	n/a
Class 'A' Accumulation	+12.1	-0.8	+2.0	n/a
Class 'I' Income	+12.4	-0.5	+2.3	n/a
Class 'I' Accumulation	+12.4	-0.5	+2.3	n/a
Class 'L' Income	+12.6	-0.3	+2.5	n/a
Class 'L' Accumulation	+12.6	-0.3	+2.5	n/a
Class 'PP' Income	+12.5	-0.4	+2.4	n/a
Class 'PP' Accumulation	+12.5	-0.4	+2.4	n/a
Class 'R' Income	+12.2	-0.7	+2.1	n/a
Class 'R' Accumulation	+12.2	-0.7	+2.1	n/a

<sup>a</sup> 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	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	92.23	94.70	113.37
Return before operating charges*	12.71	2.08	(14.41)
Operating charges	(1.05)	(1.12)	(1.23)
Return after operating charges*	11.66	0.96	(15.64)
Distributions	(3.59)	(3.43)	(3.03)
Closing NAV	100.30	92.23	94.70
*after direct transaction cost of	0.05	0.03	0.03
<b>Performance</b>			
Return after charges (%)	12.64	1.01	(13.80)
<b>Other information</b>			
Closing NAV (£'000)	829	929	961
Number of shares	826,718	1,007,005	1,015,265
Operating charges (%)	1.05	1.13	1.14
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	103.92	102.57	116.75
Lowest share price (UK p)	92.59	92.55	93.34

## Sterling Class 'A' Accumulation shares

The share class was launched on 20 February 2019.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	105.95	105.07	122.15
Return before operating charges*	14.70	2.13	(15.76)
Operating charges	(1.23)	(1.25)	(1.32)
Return after operating charges*	13.47	0.88	(17.08)
Distributions	(2.95)	(2.69)	(2.06)
Retained distributions	2.95	2.69	2.06
Closing NAV	119.42	105.95	105.07
*after direct transaction cost of	0.06	0.04	0.03
<b>Performance</b>			
Return after charges (%)	12.71	0.84	(13.98)
<b>Other information</b>			
Closing NAV (£'000)	522	350	330
Number of shares	437,410	330,175	313,997
Operating charges (%)	1.05	1.13	1.14
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	122.66	114.80	125.78
Lowest share price (UK p)	106.37	105.14	102.72

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 20 February 2019.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	94.29	96.42	114.94
Return before operating charges*	12.93	2.02	(14.73)
Operating charges	(0.67)	(0.74)	(0.81)
Return after operating charges*	12.26	1.28	(15.54)
Distributions	(3.60)	(3.41)	(2.98)
Closing NAV	102.95	94.29	96.42
*after direct transaction cost of	0.05	0.03	0.03
<b>Performance</b>			
Return after charges (%)	13.00	1.33	(13.52)
<b>Other information</b>			
Closing NAV (£'000)	3,977	4,472	3,422
Number of shares	3,862,549	4,743,422	3,548,733
Operating charges (%)	0.65	0.73	0.74
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	106.61	104.55	118.37
Lowest share price (UK p)	94.66	94.59	94.99

## Sterling Class 'I' Accumulation shares

The share class was launched on 20 February 2019.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	107.84	106.60	123.54
Return before operating charges*	14.87	2.06	(16.06)
Operating charges	(0.77)	(0.82)	(0.88)
Return after operating charges*	14.10	1.24	(16.94)
Distributions	(3.39)	(3.09)	(2.47)
Retained distributions	3.39	3.09	2.47
Closing NAV	121.94	107.84	106.60
*after direct transaction cost of	0.06	0.04	0.03
<b>Performance</b>			
Return after charges (%)	13.07	1.16	(13.71)
<b>Other information</b>			
Closing NAV (£'000)	12,557	12,336	8,750
Number of shares	10,297,803	11,439,345	8,208,180
Operating charges (%)	0.65	0.73	0.74
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	125.22	116.75	127.22
Lowest share price (UK p)	108.27	106.68	104.21



# 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	95.18	97.21	115.68
Return before operating charges*	13.03	1.99	(14.88)
Operating charges	(0.47)	(0.54)	(0.61)
Return after operating charges*	12.56	1.45	(15.49)
Distributions	(3.61)	(3.48)	(2.98)
Closing NAV	104.13	95.18	97.21
*after direct transaction cost of	0.05	0.03	0.03
<b>Performance</b>			
Return after charges (%)	13.20	1.49	(13.39)
<b>Other information</b>			
Closing NAV (£'000)	9	20	20
Number of shares	9,000	20,700	20,700
Operating charges (%)	0.45	0.53	0.54
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	107.81	105.39	119.15
Lowest share price (UK p)	95.56	95.47	95.78

## 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	108.72	107.30	124.15
Return before operating charges*	14.95	2.02	(16.20)
Operating charges	(0.54)	(0.60)	(0.65)
Return after operating charges*	14.41	1.42	(16.85)
Distributions	(3.62)	(3.32)	(2.67)
Retained distributions	3.62	3.32	2.67
Closing NAV	123.13	108.72	107.30
*after direct transaction cost of	0.06	0.04	0.03
<b>Performance</b>			
Return after charges (%)	13.25	1.32	(13.57)
<b>Other information</b>			
Closing NAV (£'000)	14,937	20,212	19,685
Number of shares	12,130,872	18,590,154	18,345,597
Operating charges (%)	0.45	0.53	0.54
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	126.43	117.65	127.87
Lowest share price (UK p)	109.16	107.38	104.89

# 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	92.32	94.32	112.33
Return before operating charges*	12.64	1.95	(14.42)
Operating charges	(0.55)	(0.62)	(0.69)
Return after operating charges*	12.09	1.33	(15.11)
Distributions	(3.50)	(3.33)	(2.90)
Closing NAV	100.91	92.32	94.32
*after direct transaction cost of	0.05	0.03	0.03
<b>Performance</b>			
Return after charges (%)	13.10	1.41	(13.45)
<b>Other information</b>			
Closing NAV (£'000)	320	302	317
Number of shares	316,963	327,385	335,653
Operating charges (%)	0.55	0.63	0.64
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	104.48	102.29	115.70
Lowest share price (UK p)	92.69	92.61	92.92

## 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	105.87	104.57	121.09
Return before operating charges*	14.57	2.00	(15.77)
Operating charges	(0.64)	(0.70)	(0.75)
Return after operating charges*	13.93	1.30	(16.52)
Distributions	(3.43)	(3.13)	(2.52)
Retained distributions	3.43	3.13	2.52
Closing NAV	119.80	105.87	104.57
*after direct transaction cost of	0.06	0.04	0.03
<b>Performance</b>			
Return after charges (%)	13.16	1.24	(13.64)
<b>Other information</b>			
Closing NAV (£'000)	891	1,052	1,021
Number of shares	743,855	993,330	976,257
Operating charges (%)	0.55	0.63	0.64
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	123.02	114.58	124.70
Lowest share price (UK p)	106.29	104.64	102.22

# 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	93.13	95.49	114.17
Return before operating charges*	12.83	2.06	(14.55)
Operating charges	(0.93)	(0.98)	(1.09)
Return after operating charges*	11.90	1.08	(15.64)
Distributions	(3.60)	(3.44)	(3.04)
Closing NAV	101.43	93.13	95.49
*after direct transaction cost of	0.05	0.03	0.03
<b>Performance</b>			
Return after charges (%)	12.78	1.13	(13.70)
<b>Other information</b>			
Closing NAV (£'000)	197	179	154
Number of shares	193,880	192,444	161,422
Operating charges (%)	0.90	0.98	0.99
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	105.07	103.45	117.57
Lowest share price (UK p)	93.49	93.44	94.13

## 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	2024 UK p	2023 UK p	2022 UK p
Opening NAV	106.83	105.82	122.87
Return before operating charges*	14.78	2.10	(15.88)
Operating charges	(1.06)	(1.09)	(1.17)
Return after operating charges*	13.72	1.01	(17.05)
Distributions	(3.12)	(2.85)	(2.24)
Retained distributions	3.12	2.85	2.24
Closing NAV	120.55	106.83	105.82
*after direct transaction cost of	0.06	0.04	0.03
<b>Performance</b>			
Return after charges (%)	12.84	0.95	(13.88)
<b>Other information</b>			
Closing NAV (£'000)	893	899	940
Number of shares	740,644	841,687	888,081
Operating charges (%)	0.90	0.98	0.99
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	123.82	115.71	126.53
Lowest share price (UK p)	107.25	105.89	103.45

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 October	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	3		4,026		(929)
Revenue	5	1,814		1,561	
Expenses	6	(252)		(224)	
Interest payable and similar charges		(1)		(1)	
Net revenue/(expense) before taxation		1,561		1,336	
Taxation	7	(241)		(205)	
Net revenue/(expense) after taxation			1,320		1,131
<b>Total return before distributions</b>			<b>5,346</b>		<b>202</b>
Distributions	8		(1,361)		(1,176)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>3,985</b>		<b>(974)</b>

### Statement of change in net assets attributable to shareholders

for the year to 31 October	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>40,751</b>		<b>35,600</b>
Amounts received on issue of shares	8,275		6,937	
Amounts paid on cancellation of shares	(19,053)		(1,814)	
		(10,778)		5,123
Dilution adjustments		32		11
Change in net assets attributable to shareholders from investment activities (see above)		3,985		(974)
Retained distributions on Accumulation shares		1,142		991
<b>Closing net assets attributable to shareholders</b>		<b>35,132</b>		<b>40,751</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 October	Note	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		34,517	38,818
<b>Current assets</b>			
Debtors	9	376	202
Cash and bank balances	10	936	2,525
<b>Total assets</b>		<b>35,829</b>	<b>41,545</b>
<b>Liabilities</b>			
Investment liabilities		(198)	(575)
<b>Creditors</b>			
Distribution payable		(45)	(56)
Other creditors	11	(454)	(163)
<b>Total liabilities</b>		<b>(697)</b>	<b>(794)</b>
<b>Net assets attributable to shareholders</b>		<b>35,132</b>	<b>40,751</b>

# 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 13.

### 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	2024 £'000	2023 £'000
Non-derivative securities	2,586	(589)
Derivative contracts	1,462	(330)
Currency gains/(losses)	(22)	(10)
<b>Net capital gains/(losses)</b>	<b>4,026</b>	<b>(929)</b>

Includes realised gains of £2,237,000 and unrealised gains of £1,789,000 (2023: realised losses of £476,000 and unrealised losses of £453,000). 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	2024 £'000	% of transaction	2023 £'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	12,837		6,382	
Commissions	3	0.02	3	0.04
Taxes	10	0.08	5	0.08
<b>Equities after transaction costs</b>	<b>12,850</b>		<b>6,390</b>	
<b>Debt securities</b>	<b>24,764</b>		<b>30,758</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	798		613	
Taxes	2	0.20	1	0.21
<b>Collective investment schemes after transaction costs</b>	<b>800</b>		<b>614</b>	
<b>Total purchases after transaction costs</b>	<b>38,414</b>		<b>37,762</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	14,741		5,654	
Commissions	(4)	0.03	(2)	0.04
Taxes	(3)	0.02	(1)	0.01
<b>Equities after transaction costs</b>	<b>14,734</b>		<b>5,651</b>	
<b>Debt securities</b>	<b>30,447</b>		<b>25,371</b>	
<b>Collective investment schemes</b>	<b>756</b>		<b>0</b>	
<b>Total sales after transaction costs</b>	<b>45,937</b>		<b>31,022</b>	
	2024 £'000	% of average NAV	2023 £'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	7	0.02	5	0.01
<b>Total commissions paid</b>	<b>7</b>	<b>0.02</b>	<b>5</b>	<b>0.01</b>
<b>Taxes paid</b>				
Equities	13	0.03	6	0.02
Collective investment schemes	2	0.00	1	0.00
<b>Total taxes paid</b>	<b>15</b>	<b>0.03</b>	<b>7</b>	<b>0.02</b>
<b>Total direct portfolio transaction costs</b>	<b>22</b>	<b>0.05</b>	<b>12</b>	<b>0.03</b>

# Financial statements and notes

	%	%
<b>d) Indirect portfolio transaction costs</b>		
Average portfolio dealing spread as at the balance sheet date	0.22	0.21

## 5 Revenue

for the year to 31 October	2024 £'000	2023 £'000
Bank interest	10	12
Derivative revenue	4	6
Distributions from collective investment schemes: non-taxable	19	0
Distributions from collective investment schemes: taxable	28	0
Dividends from equity investments: non-taxable	559	541
Interest on debt securities	1,173	981
Property distribution: non-taxable	2	3
Property distribution: taxable	19	18
<b>Total revenue</b>	<b>1,814</b>	<b>1,561</b>

## 6 Expenses

for the year to 31 October	2024 £'000	2023 £'000
<b>Payable to the ACD or associate</b>		
Annual charge	252	224
<b>Total expenses</b>	<b>252</b>	<b>224</b>

Audit fees for the financial year ending 2024 were £13,000 (2023: £12,000) (including VAT), which are covered by the annual charge.



# Financial statements and notes

## 7 Taxation

for the year to 31 October	2024 £'000	2023 £'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	195	160
Withholding tax	50	51
Double taxation relief	(3)	(7)
Capital gains tax (US)	(1)	1
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>241</b>	<b>205</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	1,561	1,336
Corporation tax at 20%	312	268
<b>Effects of:</b>		
Revenue: non-taxable	(117)	(108)
Double taxation relief	(3)	(7)
Withholding tax	50	51
Capital gains tax (US)	(1)	1
<b>Total tax charge (note 7a)</b>	<b>241</b>	<b>205</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset in the current financial year (2023: 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	2024		2023	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
<b>Dividend distributions</b>				
First interim	48	242	35	155
Second interim	50	315	51	249
Third interim	60	379	63	311
Final	45	206	56	276
Total net distributions		1,345		1,196
Income deducted on cancellation of shares		36		10
Income received on issue of shares		(20)		(30)
<b>Distributions</b>		<b>1,361</b>		<b>1,176</b>
Net revenue/(expense) per statement of total return		1,320		1,131
Expenses offset against capital		42		44
Capital gains tax offset against capital		(1)		1
<b>Distributions</b>		<b>1,361</b>		<b>1,176</b>

## 9 Debtors

as at 31 October	2024 £'000	2023 £'000
Amounts receivable on issues of shares	97	0
Currency deals outstanding	55	0
Debt security interest receivable	190	171
Dividends receivable	20	18
Withholding tax recoverable	14	13
<b>Total debtors</b>	<b>376</b>	<b>202</b>

## 10 Cash and bank balances

as at 31 October	2024 £'000	2023 £'000
Amounts held at futures clearing houses and collateral manager	247	810
Cash held as bank balances	689	1,715
<b>Total cash and bank balances</b>	<b>936</b>	<b>2,525</b>

# Financial statements and notes

## 11 Other creditors

as at 31 October	2024 £'000	2023 £'000
Amounts payable on cancellation of shares	197	0
Annual charge payable	10	10
Corporation tax payable	192	153
Currency deals outstanding	55	0
<b>Total other creditors</b>	<b>454</b>	<b>163</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2023: 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 01.11.23	Issued	Movements Cancelled	Converted	Closing 31.10.24
<b>Sterling</b>					
Class 'A' Income	1,007,005	61,971	(242,258)	0	826,718
Class 'A' Accumulation	330,175	233,090	(125,855)	0	437,410
Class 'I' Income	4,743,422	519,289	(1,400,162)	0	3,862,549
Class 'I' Accumulation	11,439,345	1,862,426	(3,003,968)	0	10,297,803
Class 'L' Income	20,700	0	(11,700)	0	9,000
Class 'L' Accumulation	18,590,154	4,073,767	(10,533,049)	0	12,130,872
Class 'PP' Income	327,385	108,874	(119,296)	0	316,963
Class 'PP' Accumulation	993,330	123,170	(372,645)	0	743,855
Class 'R' Income	192,444	46,559	(45,123)	0	193,880
Class 'R' Accumulation	841,687	106,564	(207,607)	0	740,644

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 %
<b>Sterling</b>	
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.

During the year, there were no transactions in shares in related parties of M&G Securities Limited (2023: £nil).

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 10.79% (2023: 34.52%) 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 2024 £'000	Liabilities 2024 £'000	Assets 2023 £'000	Liabilities 2023 £'000
Level 1	25,478	(153)	28,077	(538)
Level 2	8,942	(45)	10,644	(37)
Level 3	97	0	97	0
	<b>34,517</b>	<b>(198)</b>	<b>38,818</b>	<b>(575)</b>

Level 3 assets comprise solely of Home REIT (2023: Home REIT) 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 13 to 15.

## 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 2024 was 20% (2023: 12%).

The lowest, highest and average utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2024 and 31 October 2023.

for the year to 31 October	2024 Utilisation of VaR 20%	2023 Utilisation of VaR 12%
Lowest	23.45	36.83
Highest	25.80	48.83
Average	24.60	42.08

## 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	2024 £'000	2023 £'000
Investment grade securities	16,622	20,541
Below investment grade securities	0	1,426
Other investments	17,697	16,276
<b>Total</b>	<b>34,319</b>	<b>38,243</b>

# Financial statements and notes

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 2024	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	3	(153)
Citigroup	(10)	0
JPMorgan	(1)	0
State Street Bank	(32)	0
<b>Total</b>	<b>(40)</b>	<b>(153)</b>

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(539)
Citigroup	2	0
JPMorgan	2	0
State Street Bank	(33)	0
UBS	38	0
<b>Total</b>	<b>9</b>	<b>(539)</b>

## 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 2024 and 31 October 2023 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	2024 £'000	2024 %	2023 £'000	2023 %
Lowest	53,084	135.00	49,410	135.00
Highest	136,905	297.00	107,269	266.00
Average	75,961	171.57	63,083	157.80

# Financial statements and notes

## 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	01.11.23	31.01.24	01.02.24	31.03.24
Second interim	01.02.24	30.04.24	01.05.24	30.06.24
Third interim	01.05.24	31.07.24	01.08.24	30.09.24
Final	01.08.24	31.10.24	01.11.24	31.12.24

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	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
First interim	0.3218	0.4807	0.8025	0.6289
Second interim	0.3222	0.5509	0.8731	0.8779
Third interim	0.3719	0.6767	1.0486	1.0324
Final	0.3661	0.5021	0.8682	0.8931

### Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
First interim	0.3372	0.2853	0.6225	0.4044
Second interim	0.3018	0.4105	0.7123	0.7017
Third interim	0.0126	0.9019	0.9145	0.8580
Final	0.5228	0.1826	0.7054	0.7284

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## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.3635	0.4369	0.8004	0.6139
Second interim	0.4902	0.3836	0.8738	0.8750
Third interim	0.5924	0.4612	1.0536	1.0326
Final	0.4392	0.4302	0.8694	0.8916

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4031	0.3235	0.7266	0.4956
Second interim	0.2753	0.5435	0.8188	0.7974
Third interim	0.4573	0.5720	1.0293	0.9667
Final	0.3513	0.4678	0.8191	0.8300

## Sterling Class 'L' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.7995	0.0000	0.7995	0.6692
Second interim	0.8758	0.0000	0.8758	0.8851
Third interim	0.1820	0.8757	1.0577	1.0311
Final	0.8732	0.0000	0.8732	0.8908

## Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4123	0.3671	0.7794	0.5674
Second interim	0.7597	0.1130	0.8727	0.8466
Third interim	0.6796	0.4076	1.0872	1.0212
Final	0.0723	0.8048	0.8771	0.8837



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## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.5392	0.2389	0.7781	0.6020
Second interim	0.8510	0.0000	0.8510	0.8512
Third interim	0.1767	0.8506	1.0273	1.0056
Final	0.8467	0.0000	0.8467	0.8687

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.3362	0.3998	0.7360	0.5120
Second interim	0.2924	0.5344	0.8268	0.8038
Third interim	0.1972	0.8374	1.0346	0.9716
Final	0.0268	0.8024	0.8292	0.8379

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4755	0.3271	0.8026	0.6385
Second interim	0.3447	0.5298	0.8745	0.8786
Third interim	0.2321	0.8197	1.0518	1.0342
Final	0.4029	0.4672	0.8701	0.8933

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.3030	0.3592	0.6622	0.4456
Second interim	0.2307	0.5224	0.7531	0.7379
Third interim	0.4343	0.5241	0.9584	0.8997
Final	0.2109	0.5379	0.7488	0.7687

# 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 26 April 2024 has been used.

## Investment objective

The fund has two aims:

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

## Investment policy

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

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

The fund aims to exclude securities issued by:

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

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

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

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

Further information on M&G's approach to ESG standards and exclusions and impact criteria can be found on our website: [mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf](https://mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf)

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

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

# Authorised Corporate Director's Report

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

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

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

## Investment approach

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

The fund manager's assessment of ESG criteria and impact criteria relies upon the use of third-party ESG information and/or proprietary analysis.

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

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

## Benchmark

IA Mixed Investment 20-60% shares sector

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

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

## 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 13 to 15.

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



### The above number:

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

# Authorised Corporate Director's Report

## Investment review

For the year ended 31 October 2024

### Volatility against objective

It is not yet possible to measure the fund's volatility (the degree to which the price varies) against its five-year volatility objective, which is to limit average volatility to 12% per annum while providing a combination of capital growth and income over any five-year period, because the fund was only launched on 8 December 2020. Volatility over a shorter period is not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's investment objective. Currently, annualised volatility is sitting at around 7.8%, below the 12% limit.

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	12.0	7.8

### Performance against objective

Between 1 November 2023 (the start of the review period) and 31 October 2024, the M&G Sustainable Multi Asset Balanced Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. Performance was behind that of the benchmark, the IA Mixed Investment 20-60% Shares Sector, which produced a return of 13.6% over the same period. The fund's performance against its objective cannot be assessed as the fund launched less than five years ago.

### Performance review

Falling inflation, broadly encouraging economic data and the commencement of central bank interest rate cuts helped most major equity and bond markets register positive returns over the period. The fund remained invested across a diversified range of global asset classes and was able to deliver a healthy return in this environment.

The fund's equity exposure was the main driver of returns overall. Many of the fund's 'positive impact' equity investments performed well, benefiting from an

easing in the outlook for financing costs, particularly in the final months of 2023 as expectations of interest rate cuts grew and bond yields fell sharply.

The fund favoured undervalued equity markets throughout the period. For example, a decision to add tactical exposure to Hong Kong/China equities in January was rewarded as these markets bounced back from extreme levels of market pessimism.

Political uncertainty created by elections in Europe contributed to some price weakness among European assets in June, however our equity exposure here was a leading contributor over the entire period, benefiting from the European Central Bank's decision to become one of the first major central banks to cut rates.

Changeable news flow on the state of the US economy and speculation over the potential size of interest rate cuts triggered bouts of market volatility at times. The US Federal Reserve (Fed) opted for a 0.5% cut in September which positively surprised markets. Meanwhile, in China, a stimulus announcement heralded a sharp rally in Chinese equities.

The third quarter witnessed a notable market rotation into small cap equities, value equities and other interest-rate sensitive areas of the equity market following the release of weakening inflation and jobs data in the US. This benefited the fund's listed green infrastructure holdings whose performance stabilised after a difficult extended period for the asset class.

The fund's diversified mix of duration assets – including several sovereign green bonds and supranational bonds across various jurisdictions – performed well and acted as a valuable diversifier during bouts of volatility in other asset classes. Duration is a measure of a bond's sensitivity to changes in interest rates – the longer a bond's duration the more sensitive it is to interest rate movements. The fund's emerging market debt exposure also increased in value over the period, however gains were wiped out by weakening local emerging market (EM) currencies versus sterling, particularly in Latin America.

# Authorised Corporate Director's Report

The fund's natural aversion to the high-carbon energy sector was beneficial given a subdued oil price over the period.

## Investment activities

In the bond space, we diversified our developed market sovereign bond exposure at the start of the period, favouring a more balanced exposure across the yield curve and across countries. (The yield curve is a graphical representation of the interest rates on debt for a range of maturities). We continued this process in the first quarter by reducing holdings of five-year US Treasuries in favour of 30-year German bunds. The fund also reduced its EM sovereign bond exposure slightly in March.

We took the opportunity to acquire further sustainable assets at what we considered attractive valuations by adding to an existing position in locally-domiciled Mexican sustainable bonds, after sharp price falls across Mexican assets following the country's elections in the second quarter of 2024.

We added to US 30-year bonds and a UK sovereign green bond at the start of August – increasing duration at a time when inflation was continuing to normalise and bond yields remained elevated.

Towards the end of the period we reduced our holdings of high yield bonds in favour of attractively valued UK equities. Among our EM bond holdings, we sold a position in Chile in favour of a green bond in Mexico and a Turkish lira-denominated supranational bond. Finally, we switched from 10-year US Treasuries into an Australian green bond, maintaining fund duration but better diversifying our bond exposure further.

## Outlook

The M&G Sustainable Multi Asset Balanced Fund was launched in December 2020 and has not attracted the expected level of interest from investors; as a result it has not attained the size required to make it commercially viable. Following a review we concluded that there was little prospect for the fund's growth in the foreseeable future. Consequently, we have decided to merge the M&G Sustainable Multi Asset Balanced Fund into the M&G Episode Allocation Fund. The M&G

Episode Allocation Fund (the receiving fund) has been elected based on sharing similar characteristics as the M&G Sustainable Multi Asset Balanced Fund (merging fund) and we believe the merger to be the best option for investors as it will provide an alternative investment solution for the long term. An extraordinary general meeting was held on 6 November 2024 where this merger was approved. The merger subsequently took place on 22 November 2024.

## 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 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities</b>	<b>23,066</b>	<b>44.52</b>	<b>41.20</b>
<b>United Kingdom</b>	<b>3,873</b>	<b>7.47</b>	<b>5.61</b>
<b>UK equities</b>	<b>3,873</b>	<b>7.47</b>	<b>5.61</b>
54,770 Aviva PLC	250	0.48	
7,570 Bank of Georgia Group PLC	314	0.61	
11,064 Compass Group PLC	277	0.53	
60,620 DS Smith PLC	305	0.59	
550,000 Greencoat U.K. Wind PLC	729	1.41	
13,973 GSK PLC	192	0.37	
783,249 Home REIT PLC <sup>a</sup>	111	0.21	
1,555 London Stock Exchange Group PLC	162	0.31	
61,615 NatWest Group PLC	230	0.44	
800,000 Octopus Renewables Infrastructure Trust PLC	626	1.21	
7,548 RELX PLC	269	0.52	
4,379 Unilever PLC	205	0.40	
282,377 Vodafone Group PLC	203	0.39	
<b>Denmark</b>	<b>952</b>	<b>1.84</b>	<b>1.91</b>
<b>Danish equities</b>	<b>952</b>	<b>1.84</b>	<b>1.91</b>
11,782 ALK-Abello AS	213	0.41	
3,017 Novo Nordisk AS	257	0.50	
6,065 Orsted AS	275	0.53	
14,267 Vestas Wind Systems AS	207	0.40	
<b>France</b>	<b>1,056</b>	<b>2.04</b>	<b>2.16</b>
<b>French equities</b>	<b>1,056</b>	<b>2.04</b>	<b>2.16</b>
1,762 Capgemini SE	237	0.46	
5,230 Danone SA	286	0.55	
772 L'Oreal SA	221	0.43	
1,561 Schneider Electric SE	312	0.60	
<b>Germany</b>	<b>990</b>	<b>1.91</b>	<b>1.58</b>
<b>German equities</b>	<b>990</b>	<b>1.91</b>	<b>1.58</b>
663 Allianz SE	161	0.31	
4,343 Bayerische Motoren Werke AG	266	0.51	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>Germany (continued)</b>			
<b>German equities (continued)</b>			
8,458 Fresenius Medical Care AG	251	0.49	
1,713 SAP SE	312	0.60	
<b>Guernsey</b>	<b>662</b>	<b>1.28</b>	<b>1.48</b>
<b>Guernsey equities</b>	<b>662</b>	<b>1.28</b>	<b>1.48</b>
680,130 Renewables Infrastructure Group Ltd.	662	1.28	
<b>Ireland</b>	<b>757</b>	<b>1.46</b>	<b>1.40</b>
<b>Irish equities</b>	<b>757</b>	<b>1.46</b>	<b>1.40</b>
1,008,740 Greencoat Renewables PLC <sup>b</sup>	757	1.46	
<b>Italy</b>	<b>279</b>	<b>0.54</b>	<b>1.01</b>
<b>Italian equities</b>	<b>279</b>	<b>0.54</b>	<b>1.01</b>
41,902 Terna - Rete Elettrica Nazionale	279	0.54	
<b>Netherlands</b>	<b>244</b>	<b>0.47</b>	<b>0.51</b>
<b>Dutch equities</b>	<b>244</b>	<b>0.47</b>	<b>0.51</b>
18,537 ING Groep NV	244	0.47	
<b>Spain</b>	<b>1,019</b>	<b>1.97</b>	<b>1.59</b>
<b>Spanish equities</b>	<b>1,019</b>	<b>1.97</b>	<b>1.59</b>
5,233 Amadeus IT Group SA	291	0.56	
24,197 CaixaBank SA	113	0.22	
27,114 EDP Renovaveis SA	284	0.55	
92,312 Telefonica SA	331	0.64	
<b>United States</b>	<b>8,464</b>	<b>16.34</b>	<b>14.27</b>
<b>US equities</b>	<b>8,464</b>	<b>16.34</b>	<b>14.27</b>
2,550 Agilent Technologies, Inc.	257	0.50	
3,668 Alphabet, Inc. A	491	0.95	
1,649 American Express Co.	347	0.67	
5,914 AMERISAFE, Inc.	249	0.48	
973 ANSYS, Inc.	244	0.47	
1,944 Apple, Inc.	345	0.66	
758 Autodesk, Inc.	167	0.32	
4,183 Ball Corp.	206	0.40	



# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>United States (continued)</b>			
<b>US equities (continued)</b>			
7,200 Bank of New York Mellon Corp.	418	0.81	
1,077 Becton Dickinson & Co.	196	0.38	
2,515 Bright Horizons Family Solutions, Inc.	257	0.50	
2,412 CBRE Group, Inc.	244	0.47	
8,231 Cisco Systems, Inc.	352	0.68	
4,147 eBay, Inc.	187	0.36	
2,837 Enphase Energy, Inc.	181	0.35	
945 Illumina, Inc.	106	0.20	
12,627 Intel Corp.	217	0.42	
4,762 Johnson Controls International PLC	279	0.54	
3,357 Kellanova	207	0.40	
4,630 Lam Research Corp.	271	0.52	
583 Mastercard, Inc.	232	0.45	
1,053 Microsoft Corp.	340	0.66	
2,621 ON Semiconductor Corp.	149	0.29	
2,042 PNC Financial Services Group, Inc.	298	0.57	
1,547 Procter & Gamble Co.	198	0.38	
1,663 QUALCOMM, Inc.	215	0.41	
2,327 Quest Diagnostics, Inc.	279	0.54	
1,679 Republic Services, Inc.	257	0.50	
1,463 SolarEdge Technologies, Inc.	19	0.04	
578 Thermo Fisher Scientific, Inc.	244	0.47	
682 UnitedHealth Group, Inc.	296	0.57	
7,122 Verizon Communications, Inc.	227	0.44	
998 Visa, Inc.	223	0.43	
2,803 Xylem, Inc.	266	0.51	
<b>Canada</b>	<b>112</b>	<b>0.22</b>	<b>0.45</b>
<b>Canadian equities</b>	<b>112</b>	<b>0.22</b>	<b>0.45</b>
6,084 Boralex, Inc.	112	0.22	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>Brazil</b>	<b>0</b>	<b>0.00</b>	<b>0.93</b>
<b>Brazilian equities</b>	<b>0</b>	<b>0.00</b>	<b>0.93</b>
<b>Japan</b>	<b>1,297</b>	<b>2.50</b>	<b>2.37</b>
<b>Japanese equities</b>	<b>1,297</b>	<b>2.50</b>	<b>2.37</b>
10,900 Dai-ichi Life Holdings, Inc.	211	0.41	
11,200 Hitachi Ltd.	218	0.42	
4,400 Horiba Ltd.	210	0.40	
23,600 Katitas Co. Ltd.	231	0.45	
23,700 Panasonic Holdings Corp.	147	0.28	
9,000 Sony Group Corp.	122	0.24	
7,400 Takeda Pharmaceutical Co. Ltd.	158	0.30	
<b>Australia</b>	<b>556</b>	<b>1.07</b>	<b>0.99</b>
<b>Australian equities</b>	<b>556</b>	<b>1.07</b>	<b>0.99</b>
33,607 Brambles Ltd.	311	0.60	
1,711 Cochlear Ltd.	245	0.47	
<b>Hong Kong</b>	<b>849</b>	<b>1.64</b>	<b>1.57</b>
<b>Hong Kong equities</b>	<b>849</b>	<b>1.64</b>	<b>1.57</b>
63,400 AIA Group Ltd.	386	0.75	
242,000 Lenovo Group Ltd.	246	0.47	
138,200 Swire Properties Ltd.	217	0.42	
<b>India</b>	<b>274</b>	<b>0.53</b>	<b>0.42</b>
<b>Indian equities</b>	<b>274</b>	<b>0.53</b>	<b>0.42</b>
5,571 HDFC Bank Ltd. ADR	274	0.53	
<b>Indonesia</b>	<b>286</b>	<b>0.55</b>	<b>0.00</b>
<b>Indonesian equities</b>	<b>286</b>	<b>0.55</b>	<b>0.00</b>
1,215,400 Bank Rakyat Indonesia Persero Tbk. PT	286	0.55	
<b>South Korea</b>	<b>238</b>	<b>0.46</b>	<b>0.45</b>
<b>South Korean equities</b>	<b>238</b>	<b>0.46</b>	<b>0.45</b>
7,196 Samsung Electronics Co. Ltd.	238	0.46	
<b>Taiwan</b>	<b>1,158</b>	<b>2.23</b>	<b>2.03</b>
<b>Taiwanese equities</b>	<b>1,158</b>	<b>2.23</b>	<b>2.03</b>
67,000 ASE Technology Holding Co. Ltd.	253	0.49	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>Taiwan (continued)</b>			
<b>Taiwanese equities (continued)</b>			
203,384 Cathay Financial Holding Co. Ltd.	336	0.65	
299,951 E.Sun Financial Holding Co. Ltd.	197	0.38	
15,000 Taiwan Semiconductor Manufacturing Co. Ltd.	372	0.71	
<b>South Africa</b>	<b>0</b>	<b>0.00</b>	<b>0.47</b>
<b>South African equities</b>	<b>0</b>	<b>0.00</b>	<b>0.47</b>
<b>Fixed income</b>	<b>24,373</b>	<b>47.04</b>	<b>53.76</b>
<b>United Kingdom</b>			
<b>Government bonds</b>			
£3,275,000 U.K. Gilts 0.875% 31/07/2033	2,455	4.74	
£3,600,000 U.K. Gilts 1.5% 31/07/2053	1,752	3.38	
£1,464,000 U.K. Treasury Bills 0% 02/12/2024	1,458	2.81	
£3,211,000 U.K. Treasury Bills 0% 09/12/2024	3,195	6.17	
£400,000 U.K. Treasury Bills 0% 20/01/2025	396	0.76	
£850,000 U.K. Treasury Bills 0% 10/03/2025	836	1.61	
<b>Investment grade corporate bonds</b>	<b>683</b>	<b>1.32</b>	<b>0.98</b>
IDR5,630,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	260	0.50	
IDR9,750,000 European Bank for Reconstruction & Development 28% 27/09/2027	181	0.35	
€300,000 Vodafone Group PLC 0.9% 24/11/2026	242	0.47	
<b>Belgium</b>	<b>243</b>	<b>0.47</b>	<b>0.52</b>
<b>Investment grade corporate bonds</b>	<b>243</b>	<b>0.47</b>	<b>0.52</b>
€300,000 KBC Group NV Var 0.25% 01/03/2027	243	0.47	
<b>France</b>	<b>729</b>	<b>1.41</b>	<b>1.89</b>
<b>Investment grade corporate bonds</b>	<b>729</b>	<b>1.41</b>	<b>1.58</b>
US\$322,000 Electricite de France SA 3.625% 13/10/2025	245	0.48	
€300,000 Societe Generale SA Var 0.875% 22/09/2028	234	0.45	
€300,000 Unibail-Rodamco-Westfield SE 3.5% 11/09/2029	250	0.48	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.31</b>

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>Germany</b>	<b>2,948</b>	<b>5.69</b>	<b>2.03</b>
<b>Government bonds</b>	<b>2,608</b>	<b>5.03</b>	<b>1.01</b>
€1,203,000 Bundesrepublik Deutschland Bundesanleihe 0% 15/08/2030	887	1.71	
€1,330,000 Bundesrepublik Deutschland Bundesanleihe 1.8% 15/08/2053	929	1.79	
€948,500 Bundesrepublik Deutschland Bundesanleihe 2.3% 15/02/2033	792	1.53	
<b>Investment grade corporate bonds</b>	<b>340</b>	<b>0.66</b>	<b>0.70</b>
€500,000 Mercedes-Benz Group AG 0.75% 11/03/2033	340	0.66	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.32</b>
<b>Italy</b>	<b>205</b>	<b>0.40</b>	<b>0.93</b>
<b>Government bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.48</b>
<b>Investment grade corporate bonds</b>	<b>205</b>	<b>0.40</b>	<b>0.45</b>
€235,000 Intesa Sanpaolo SpA 4.75% 06/09/2027	205	0.40	
<b>Luxembourg</b>	<b>1,792</b>	<b>3.46</b>	<b>4.18</b>
<b>Investment grade corporate bonds</b>	<b>1,792</b>	<b>3.46</b>	<b>4.18</b>
ZAR17,000,000 European Investment Bank 0% 18/10/2032	365	0.71	
US\$1,930,000 European Investment Bank 3.75% 14/02/2033	1,427	2.75	
<b>Netherlands</b>	<b>635</b>	<b>1.22</b>	<b>0.52</b>
<b>Investment grade corporate bonds</b>	<b>635</b>	<b>1.22</b>	<b>0.52</b>
€500,000 EDP Finance BV 1.875% 21/09/2029	395	0.76	
€300,000 ING Groep NV 2.5% 15/11/2030	240	0.46	
<b>Portugal</b>	<b>0</b>	<b>0.00</b>	<b>0.81</b>
<b>Investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.81</b>
<b>Sweden</b>	<b>224</b>	<b>0.43</b>	<b>1.40</b>
<b>Investment grade corporate bonds</b>	<b>224</b>	<b>0.43</b>	<b>0.48</b>
€279,000 Swedbank AB Var 0.3% 20/05/2027	224	0.43	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.92</b>
<b>United States</b>	<b>4,528</b>	<b>8.74</b>	<b>13.13</b>
<b>Investment grade corporate bonds</b>	<b>4,528</b>	<b>8.74</b>	<b>12.17</b>
€113,000 Apple, Inc. 0% 15/11/2025	92	0.18	
US\$334,000 Apple, Inc. 3% 20/06/2027	249	0.48	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>United States (continued)</b>			
<b>Investment grade corporate bonds (continued)</b>			
US\$650,000 Boston Properties LP 2.55% 01/04/2032	408	0.79	
US\$195,000 HCA, Inc. 5.45% 01/04/2031	152	0.29	
US\$1,975,000 Inter-American Development Bank 4.375% 24/01/2044	1,437	2.77	
IDR5,320,000,000 Inter-American Development Bank 5.1% 17/11/2026	255	0.49	
MXN13,050,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	468	0.90	
BRL3,970,000 International Bank for Reconstruction & Development 5% 22/01/2026	497	0.96	
INR35,500,000 International Bank for Reconstruction & Development 6.85% 24/04/2028	324	0.63	
US\$394,000 Prologis LP 1.25% 15/10/2030	248	0.48	
US\$600,000 Xylem, Inc. 2.25% 30/01/2031	398	0.77	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.96</b>
<b>Chile</b>	<b>515</b>	<b>0.99</b>	<b>2.38</b>
<b>Government bonds</b>	<b>515</b>	<b>0.99</b>	<b>2.38</b>
€875,000 Chile Government International Bonds 1.25% 29/01/2040	515	0.99	
<b>Colombia</b>	<b>200</b>	<b>0.39</b>	<b>0.51</b>
<b>Government bonds</b>	<b>200</b>	<b>0.39</b>	<b>0.51</b>
COP1,353,400,000 Colombia TES 7% 26/03/2031	200	0.39	
<b>Mexico</b>	<b>730</b>	<b>1.41</b>	<b>0.00</b>
<b>Government bonds</b>	<b>730</b>	<b>1.41</b>	<b>0.00</b>
MXN21,900,000 Mexico Bonos 8% 24/05/2035	730	1.41	
<b>Australia</b>	<b>1,052</b>	<b>2.03</b>	<b>0.00</b>
<b>Government bonds</b>	<b>1,052</b>	<b>2.03</b>	<b>0.00</b>
AU\$2,116,000 Australia Government Bonds 4.25% 21/06/2034	1,052	2.03	
<b>Debt derivatives</b>	<b>(203)</b>	<b>(0.39)</b>	<b>(1.25)</b>
<b>Interest rate futures</b>	<b>(203)</b>	<b>(0.39)</b>	<b>(1.25)</b>
30 CBOT Ultra Long-Term U.S. Treasury Bond Futures Dec 2024	(203)	(0.39)	
<b>Fixed income portfolios</b>	<b>1,888</b>	<b>3.64</b>	<b>0.00</b>
<b>Other</b>	<b>1,888</b>	<b>3.64</b>	<b>0.00</b>
181,314 iShares EUR Corp. Bond 0-3yr ESG UCITS ETF	761	1.47	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income portfolios (continued)</b>			
<b>Other (continued)</b>			
77,290 iShares EUR Corp. Bond ESG UCITS ETF	309	0.59	
209,416 iShares USD Corp. Bond 0-3yr ESG UCITS ETF	818	1.58	
<b>Currency</b>	<b>(57)</b>	<b>(0.11)</b>	<b>0.04</b>
<b>Forward currency contracts</b>	<b>(57)</b>	<b>(0.11)</b>	<b>0.04</b>
US\$323,725 Bought for KRW437,048,611 (expires 15.11.24)	5	0.01	
AU\$(3,324,791) Sold for £1,684,586 (expires 18.11.24)	1	0.00	
CA\$(308,585) Sold for £171,362 (expires 18.11.24)	0	0.00	
DKK(8,190,891) Sold for £916,548 (expires 18.11.24)	(4)	(0.01)	
€(13,452,206) Sold for £11,224,669 (expires 18.11.24)	(47)	(0.09)	
HK\$(8,894,816) Sold for £881,804 (expires 18.11.24)	0	0.00	
US\$(8,365,649) Sold for £6,443,256 (expires 18.11.24)	(3)	0.00	
US\$1,530,206 Bought for TWD49,181,091 (expires 15.11.24)	(9)	(0.02)	
<b>Total portfolio</b>	<b>49,270</b>	<b>95.09</b>	<b>95.00</b>
<b>Net other assets/(liabilities)</b>	<b>2,544</b>	<b>4.91</b>	<b>5.00</b>
<b>Net assets attributable to shareholders</b>	<b>51,814</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> Suspended/delisted.

<sup>b</sup> AIM quoted.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 October 2024

Largest purchases	£'000
U.K. Treasury Bills 0% 17/06/2024	4,173
U.K. Treasury Bills 0% 09/12/2024	3,131
U.K. Treasury Bills 0% 10/06/2024	2,219
European Investment Bank 3.75% 14/02/2033	1,464
U.K. Treasury Bills 0% 02/12/2024	1,428
International Bank for Reconstruction & Development 0.75% 26/08/2030	1,153
U.K. Treasury Bills 0% 11/11/2024	1,116
Australia Government Bonds 4.25% 21/06/2034	1,089
U.K. Gilts 1.5% 31/07/2053	1,068
Bundesrepublik Deutschland Bundesanleihe 1.8% 15/08/2053	931
Other purchases	17,398
<b>Total purchases</b>	<b>35,170</b>

Largest sales	£'000
U.K. Treasury Bills 0% 17/06/2024	4,263
U.K. Treasury Bills 0% 15/01/2024	4,137
U.K. Treasury Bills 0% 19/02/2024	2,299
U.K. Treasury Bills 0% 10/06/2024	2,246
U.K. Treasury Bills 0% 04/12/2023	1,495
European Investment Bank 0.75% 15/11/2024	1,424
Inter-American Development Bank 1.375% 15/12/2024	1,235
International Bank for Reconstruction & Development 0.75% 26/08/2030	1,180
U.K. Treasury Bills 0% 11/11/2024	1,139
U.K. Treasury Bills 0% 22/01/2024	943
Other sales	13,213
<b>Total sales</b>	<b>33,574</b>

# 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](http://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.

On 17 September 2024, the Sterling Class 'L' Accumulation shares were merged into the equivalent Sterling Class 'PP' Accumulation shares.

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+12.5	-0.4	n/a	n/a
Class 'A' Accumulation	+12.5	-0.4	n/a	n/a
Class 'I' Income	+12.9	-0.1	n/a	n/a
Class 'I' Accumulation	+12.9	-0.1	n/a	n/a
Class 'L' Accumulation	+15.4	+0.8	n/a	n/a
Class 'PP' Income	+12.9	+0.0	n/a	n/a
Class 'PP' Accumulation	+12.9	+0.0	n/a	n/a
Class 'R' Income	+12.6	-0.3	n/a	n/a
Class 'R' Accumulation	+12.6	-0.3	n/a	n/a
<b>Benchmark</b>	<b>+13.6</b>	<b>+1.1</b>	<b>n/a</b>	<b>n/a</b>

<sup>a</sup> 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 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	86.05	89.09	104.24
Return before operating charges*	12.26	1.03	(11.58)
Operating charges	(0.98)	(1.04)	(1.14)
Return after operating charges*	11.28	(0.01)	(12.72)
Distributions	(3.20)	(3.03)	(2.43)
Closing NAV	94.13	86.05	89.09
*after direct transaction cost of	0.04	0.02	0.04
<b>Performance</b>			
Return after charges (%)	13.11	(0.01)	(12.20)
<b>Other information</b>			
Closing NAV (£'000)	1,238	1,214	1,027
Number of shares	1,315,450	1,410,944	1,152,916
Operating charges (%)	1.05	1.13	1.14
Direct transaction costs (%)	0.04	0.02	0.04
<b>Prices</b>			
Highest share price (UK p)	97.26	95.99	106.89
Lowest share price (UK p)	86.37	86.54	87.65

## Sterling Class 'A' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	92.78	92.95	106.03
Return before operating charges*	13.31	0.93	(11.93)
Operating charges	(1.08)	(1.10)	(1.15)
Return after operating charges*	12.23	(0.17)	(13.08)
Distributions	(2.42)	(2.17)	(1.42)
Retained distributions	2.42	2.17	1.42
Closing NAV	105.01	92.78	92.95
*after direct transaction cost of	0.04	0.02	0.04
<b>Performance</b>			
Return after charges (%)	13.18	(0.18)	(12.34)
<b>Other information</b>			
Closing NAV (£'000)	912	800	865
Number of shares	868,532	862,889	930,091
Operating charges (%)	1.05	1.13	1.14
Direct transaction costs (%)	0.04	0.02	0.04
<b>Prices</b>			
Highest share price (UK p)	107.65	100.91	108.72
Lowest share price (UK p)	93.12	92.47	90.83

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	87.04	89.76	104.58
Return before operating charges*	12.35	0.94	(11.71)
Operating charges	(0.62)	(0.68)	(0.75)
Return after operating charges*	11.73	0.26	(12.46)
Distributions	(3.17)	(2.98)	(2.36)
Closing NAV	95.60	87.04	89.76
*after direct transaction cost of	0.04	0.02	0.04
<b>Performance</b>			
Return after charges (%)	13.48	0.29	(11.91)
<b>Other information</b>			
Closing NAV (£'000)	137	229	194
Number of shares	143,535	262,955	216,229
Operating charges (%)	0.65	0.73	0.74
Direct transaction costs (%)	0.04	0.02	0.04
<b>Prices</b>			
Highest share price (UK p)	98.73	96.81	107.24
Lowest share price (UK p)	87.37	87.52	88.27

## Sterling Class 'I' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	93.64	93.52	106.35
Return before operating charges*	13.36	0.84	(12.07)
Operating charges	(0.67)	(0.72)	(0.76)
Return after operating charges*	12.69	0.12	(12.83)
Distributions	(2.78)	(2.50)	(1.75)
Retained distributions	2.78	2.50	1.75
Closing NAV	106.33	93.64	93.52
*after direct transaction cost of	0.04	0.02	0.04
<b>Performance</b>			
Return after charges (%)	13.55	0.13	(12.06)
<b>Other information</b>			
Closing NAV (£'000)	1,968	2,488	1,912
Number of shares	1,850,445	2,656,832	2,044,978
Operating charges (%)	0.65	0.73	0.74
Direct transaction costs (%)	0.04	0.02	0.04
<b>Prices</b>			
Highest share price (UK p)	108.97	101.77	109.05
Lowest share price (UK p)	93.99	93.33	91.38

# Financial highlights

## Sterling Class 'L' Accumulation shares

The share class was launched on 8 December 2020.

The class was merged into Sterling Class 'PP'

Accumulation on 17 September 2024.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	94.07	93.80	106.49
Return before operating charges*	15.69	0.79	(12.12)
Operating charges	(0.41)	(0.52)	(0.57)
Return after operating charges*	15.28	0.27	(12.69)
Distributions	(2.27)	(2.67)	(1.93)
Retained distributions	2.27	2.67	1.93
NAV of in specie transfer	(109.35)	n/a	n/a
Closing NAV	0.00	94.07	93.80
*after direct transaction cost of	0.00	0.02	0.04
<b>Performance</b>			
Return after charges (%)	16.24	0.29	(11.92)
<b>Other information</b>			
Closing NAV (£'000)	0	13,184	13,146
Number of shares	0	14,015,040	14,015,040
Operating charges (%)	0.45	0.53	0.54
Direct transaction costs (%)	0.04	0.02	0.04
<b>Prices</b>			
Highest share price (UK p)	109.35	102.19	109.21
Lowest share price (UK p)	94.42	93.75	91.65

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 8 December 2020.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	87.30	89.93	104.67
Return before operating charges*	12.36	0.93	(11.76)
Operating charges	(0.52)	(0.59)	(0.64)
Return after operating charges*	11.84	0.34	(12.40)
Distributions	(3.16)	(2.97)	(2.34)
Closing NAV	95.98	87.30	89.93
*after direct transaction cost of	0.04	0.02	0.04
<b>Performance</b>			
Return after charges (%)	13.56	0.38	(11.85)
<b>Other information</b>			
Closing NAV (£'000)	179	173	181
Number of shares	186,500	198,045	201,198
Operating charges (%)	0.55	0.63	0.64
Direct transaction costs (%)	0.04	0.02	0.04
<b>Prices</b>			
Highest share price (UK p)	99.11	97.03	107.34
Lowest share price (UK p)	87.63	87.77	88.44

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	93.86	93.67	106.43
Return before operating charges*	13.37	0.81	(12.10)
Operating charges	(0.57)	(0.62)	(0.66)
Return after operating charges*	12.80	0.19	(12.76)
Distributions	(2.87)	(2.59)	(1.83)
Retained distributions	2.87	2.59	1.83
Closing NAV	106.66	93.86	93.67
*after direct transaction cost of	0.04	0.02	0.04
<b>Performance</b>			
Return after charges (%)	13.64	0.20	(11.99)
<b>Other information</b>			
Closing NAV (£'000)	45,881	26,276	22,161
Number of shares	43,014,864	27,993,230	23,658,650
Operating charges (%)	0.55	0.63	0.64
Direct transaction costs (%)	0.04	0.02	0.04
<b>Prices</b>			
Highest share price (UK p)	109.31	101.99	109.13
Lowest share price (UK p)	94.21	93.55	91.51

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	86.41	89.33	104.35
Return before operating charges*	12.30	0.99	(11.63)
Operating charges	(0.85)	(0.90)	(0.99)
Return after operating charges*	11.45	0.09	(12.62)
Distributions	(3.19)	(3.01)	(2.40)
Closing NAV	94.67	86.41	89.33
*after direct transaction cost of	0.04	0.02	0.04
<b>Performance</b>			
Return after charges (%)	13.25	0.10	(12.09)
<b>Other information</b>			
Closing NAV (£'000)	313	291	201
Number of shares	330,370	337,166	225,031
Operating charges (%)	0.90	0.98	0.99
Direct transaction costs (%)	0.04	0.02	0.04
<b>Prices</b>			
Highest share price (UK p)	97.80	96.29	107.01
Lowest share price (UK p)	86.73	86.90	87.88

## Sterling Class 'R' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	93.09	93.16	106.14
Return before operating charges*	13.33	0.89	(11.96)
Operating charges	(0.93)	(0.96)	(1.02)
Return after operating charges*	12.40	(0.07)	(12.98)
Distributions	(2.55)	(2.29)	(1.55)
Retained distributions	2.55	2.29	1.55
Closing NAV	105.49	93.09	93.16
*after direct transaction cost of	0.04	0.02	0.04
<b>Performance</b>			
Return after charges (%)	13.32	(0.08)	(12.23)
<b>Other information</b>			
Closing NAV (£'000)	1,186	1,164	1,096
Number of shares	1,124,515	1,249,955	1,176,112
Operating charges (%)	0.90	0.98	0.99
Direct transaction costs (%)	0.04	0.02	0.04
<b>Prices</b>			
Highest share price (UK p)	108.13	101.22	108.84
Lowest share price (UK p)	93.44	92.78	91.03

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 October	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	3		4,847		(1,388)
Revenue	5	1,947		1,677	
Expenses	6	(286)		(257)	
Interest payable and similar charges		(3)		(1)	
Net revenue/(expense) before taxation		1,658		1,419	
Taxation	7	(255)		(210)	
Net revenue/(expense) after taxation			1,403		1,209
<b>Total return before distributions</b>			<b>6,250</b>		<b>(179)</b>
Distributions	8		(1,421)		(1,227)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>4,829</b>		<b>(1,406)</b>

### Statement of change in net assets attributable to shareholders

for the year to 31 October	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>45,819</b>		<b>40,783</b>
Amounts received on issue of shares	19,226		6,236	
Amounts paid on cancellation of shares	(19,415)		(991)	
		(189)		5,245
Dilution adjustments		4		12
Change in net assets attributable to shareholders from investment activities (see above)		4,829		(1,406)
Retained distributions on Accumulation shares		1,351		1,185
<b>Closing net assets attributable to shareholders</b>		<b>51,814</b>		<b>45,819</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 October	Note	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		0	44,142
<b>Current assets</b>			
Investments		49,536	0
Debtors	9	387	209
Cash and bank balances	10	2,519	2,259
<b>Total assets</b>		<b>52,442</b>	<b>46,610</b>
<b>Liabilities</b>			
Investment liabilities		(266)	(613)
<b>Creditors</b>			
Distribution payable		(15)	(17)
Other creditors	11	(347)	(161)
<b>Total liabilities</b>		<b>(628)</b>	<b>(791)</b>
<b>Net assets attributable to shareholders</b>		<b>51,814</b>	<b>45,819</b>

# 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 13.

### 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	2024 £'000	2023 £'000
Non-derivative securities	3,141	(996)
Derivative contracts	1,768	(408)
Currency gains/(losses)	(62)	16
<b>Net capital gains/(losses)</b>	<b>4,847</b>	<b>(1,388)</b>

Includes realised gains of £2,208,000 and unrealised gains of £2,639,000 (2023: realised losses of £438,000 and unrealised losses of £950,000). 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	2024 £'000	% of transaction	2023 £'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	7,045		5,525	
Commissions	2	0.03	2	0.04
Taxes	12	0.17	4	0.08
<b>Equities after transaction costs</b>	<b>7,059</b>		<b>5,531</b>	
<b>Debt securities</b>	<b>25,942</b>		<b>32,987</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	2,167		721	
Commissions	1	0.03	0	0.02
Taxes	1	0.03	1	0.20
<b>Collective investment schemes after transaction costs</b>	<b>2,169</b>		<b>722</b>	
<b>Total purchases after transaction costs</b>	<b>35,170</b>		<b>39,240</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	6,459		5,290	
Commissions	(3)	0.04	(2)	0.04
Taxes	(2)	0.04	(1)	0.01
<b>Equities after transaction costs</b>	<b>6,454</b>		<b>5,287</b>	
<b>Debt securities</b>	<b>26,910</b>		<b>28,466</b>	
<b>Collective investment schemes</b>	<b>210</b>		<b>0</b>	
<b>Total sales after transaction costs</b>	<b>33,574</b>		<b>33,753</b>	

# Financial statements and notes

	2024 £'000	% of average NAV	2023 £'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	5	0.01	4	0.01
Collective investment schemes	1	0.00	0	0.00
<b>Total commissions paid</b>	<b>6</b>	<b>0.01</b>	<b>4</b>	<b>0.01</b>
<b>Taxes paid</b>				
Equities	14	0.03	5	0.01
Collective investment schemes	1	0.00	1	0.00
<b>Total taxes paid</b>	<b>15</b>	<b>0.03</b>	<b>6</b>	<b>0.01</b>
<b>Total direct portfolio transaction costs</b>	<b>21</b>	<b>0.04</b>	<b>10</b>	<b>0.02</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.20		0.21

## 5 Revenue

for the year to 31 October	2024 £'000	2023 £'000
Bank interest	11	12
Derivative revenue	5	7
Distributions from collective investment schemes: non-taxable	21	0
Distributions from collective investment schemes: taxable	61	0
Dividends from equity investments: non-taxable	602	653
Dividends from equity investments: taxable	9	3
Interest on debt securities	1,215	981
Property distribution: non-taxable	2	3
Property distribution: taxable	19	18
Rebate of ongoing charges from underlying funds	2	0
<b>Total revenue</b>	<b>1,947</b>	<b>1,677</b>

## 6 Expenses

for the year to 31 October	2024 £'000	2023 £'000
<b>Payable to the ACD or associate</b>		
Annual charge	286	257
<b>Total expenses</b>	<b>286</b>	<b>257</b>

Audit fees for the financial year ending 2024 were £13,000 (2023: £12,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 October	2024 £'000	2023 £'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	205	155
Withholding tax	54	59
Double taxation relief	(4)	(5)
Capital gains tax (US)	0	1
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>255</b>	<b>210</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	1,658	1,419
Corporation tax at 20%	331	284
<b>Effects of:</b>		
Revenue: non-taxable	(126)	(129)
Double taxation relief	(4)	(5)
Withholding tax	54	59
Capital gains tax (US)	0	1
<b>Total tax charge (note 7a)</b>	<b>255</b>	<b>210</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset in the current financial year (2023: 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	2024		2023	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
<b>Dividend distributions</b>				
First interim	17	305	10	194
Second interim	16	320	14	286
Third interim	20	418	20	384
Final	15	308	17	321
Total net distributions		1,419		1,246
Income deducted on cancellation of shares		73		4
Income received on issue of shares		(71)		(23)
<b>Distributions</b>		<b>1,421</b>		<b>1,227</b>
Net revenue/(expense) per statement of total return		1,403		1,209
Expenses offset against capital		18		18
<b>Distributions</b>		<b>1,421</b>		<b>1,227</b>

## 9 Debtors

as at 31 October	2024 £'000	2023 £'000
Amounts receivable on issues of shares	35	0
Currency deals outstanding	83	0
Debt security interest receivable	226	173
Dividends receivable	24	23
Withholding tax recoverable	19	13
<b>Total debtors</b>	<b>387</b>	<b>209</b>

## 10 Cash and bank balances

as at 31 October	2024 £'000	2023 £'000
Amounts held at futures clearing houses and collateral manager	331	1,423
Cash held as bank balances	2,188	836
<b>Total cash and bank balances</b>	<b>2,519</b>	<b>2,259</b>

# Financial statements and notes

## 11 Other creditors

as at 31 October	2024 £'000	2023 £'000
Amounts payable on cancellation of shares	49	0
Annual charge payable	14	11
Corporation tax payable	201	150
Currency deals outstanding	83	0
<b>Total other creditors</b>	<b>347</b>	<b>161</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2023: 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 01.11.23	Issued	Movements Cancelled	Converted	Closing 31.10.24
<b>Sterling</b>					
Class 'A' Income	1,410,944	34,272	(129,766)	0	1,315,450
Class 'A' Accumulation	862,889	101,568	(95,925)	0	868,532
Class 'I' Income	262,955	31,409	(150,829)	0	143,535
Class 'I' Accumulation	2,656,832	391,610	(1,197,997)	0	1,850,445
Class 'L' Accumulation	14,015,040	0	(15,040)	(14,000,000)	0
Class 'PP' Income	198,045	64,732	(76,277)	0	186,500
Class 'PP' Accumulation	27,993,230	3,109,530	(2,128,986)	14,041,090	43,014,864
Class 'R' Income	337,166	34,575	(41,371)	0	330,370
Class 'R' Accumulation	1,249,955	97,652	(223,092)	0	1,124,515

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 %
<b>Sterling</b>	
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.

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 28.83% (2023: 28.58%) 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.

# Financial statements and notes

## 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 2024 £'000	Liabilities 2024 £'000	Assets 2023 £'000	Liabilities 2023 £'000
Level 1	37,543	(203)	31,235	(574)
Level 2	11,882	(63)	12,796	(39)
Level 3	111	0	111	0
	<b>49,536</b>	<b>(266)</b>	<b>44,142</b>	<b>(613)</b>

Level 3 assets comprise solely of Home REIT (2023: Home REIT) 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 13 to 15.

## 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 2024 was 20% (2023: 20%).

The lowest, highest and average utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2024 and 31 October 2023.

for the year to 31 October	2024 Utilisation of VaR 20%	2023 Utilisation of VaR 20%
Lowest	23.25	22.05
Highest	25.45	28.80
Average	24.25	25.05

## 19 Credit risk

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

as at 31 October	2024 £'000	2023 £'000
Investment grade securities	24,576	23,821
Below investment grade securities	0	1,387
Other investments	24,694	18,321
<b>Total</b>	<b>49,270</b>	<b>43,529</b>

# Financial statements and notes

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 2024	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(203)
Barclays Bank	(12)	0
Citigroup	5	0
HSBC	(4)	0
National Australia Bank	1	0
UBS	(47)	0
<b>Total</b>	<b>(57)</b>	<b>(203)</b>

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(574)
Citigroup	1	0
State Street Bank	(36)	0
UBS	52	0
<b>Total</b>	<b>17</b>	<b>(574)</b>

## 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 2024 and 31 October 2023 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	2024 £'000	2024 %	2023 £'000	2023 %
Lowest	64,358	138.00	56,414	135.00
Highest	144,852	286.00	121,243	260.00
Average	83,906	164.14	71,649	155.12



# Financial statements and notes

## 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	01.11.23	31.01.24	01.02.24	31.03.24
Second interim	01.02.24	30.04.24	01.05.24	30.06.24
Third interim	01.05.24	31.07.24	01.08.24	30.09.24
Final	01.08.24	31.10.24	01.11.24	31.12.24

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	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
First interim	0.4434	0.3002	0.7436	0.5673
Second interim	0.3728	0.3868	0.7596	0.7417
Third interim	0.2953	0.6548	0.9501	0.9354
Final	0.2798	0.4671	0.7469	0.7810

### Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
First interim	0.2429	0.2966	0.5395	0.3372
Second interim	0.1816	0.3827	0.5643	0.5325
Third interim	0.3904	0.3786	0.7690	0.7216
Final	0.2161	0.3303	0.5464	0.5794

# Financial statements and notes

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.1100	0.6238	0.7338	0.5533
Second interim	0.4074	0.3434	0.7508	0.7314
Third interim	0.3803	0.5636	0.9439	0.9239
Final	0.5154	0.2245	0.7399	0.7714

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.1645	0.4611	0.6256	0.4175
Second interim	0.3832	0.2674	0.6506	0.6131
Third interim	0.3975	0.4642	0.8617	0.8085
Final	0.3448	0.2946	0.6394	0.6629

## Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.6689	0.0000	0.6689	0.4580
Second interim	0.6944	0.0000	0.6944	0.6537
Third interim	0.9086	0.0000	0.9086	0.8523
Final	n/a	n/a	n/a	0.7053

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.0882	0.6429	0.7311	0.5496
Second interim	0.2559	0.4927	0.7486	0.7293
Third interim	0.1524	0.7901	0.9425	0.9209
Final	0.2222	0.5145	0.7367	0.7685

# Financial statements and notes

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.3174	0.3297	0.6471	0.4379
Second interim	0.3694	0.3031	0.6725	0.6333
Third interim	0.3741	0.5111	0.8852	0.8305
Final	0.2670	0.3959	0.6629	0.6841

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.5607	0.1790	0.7397	0.5619
Second interim	0.1254	0.6307	0.7561	0.7377
Third interim	0.5885	0.3591	0.9476	0.9308
Final	0.3717	0.3721	0.7438	0.7774

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.3996	0.1720	0.5716	0.3672
Second interim	0.4067	0.1896	0.5963	0.5625
Third interim	0.2639	0.5397	0.8036	0.7540
Final	0.1972	0.3839	0.5811	0.6104

## 22 Events after the balance sheet date

With effect 22 November 2024 the M&G Sustainable Multi Asset Balanced Fund merged into the M&G Episode Allocation Fund.

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

## Investment objective

The fund has two aims:

- To limit the average volatility to 9% per annum over any five-year period while providing a total return (the combination of capital growth and income) over that period; and
- To invest in assets which meet the fund's preferred ESG standards and/or those that provide a positive societal impact through addressing the world's major social and environmental challenges.

## Investment policy

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

Typically, the fund holds 0-35% of its net asset value in equities and equity-related securities, but there is no obligation on the fund manager to hold a particular level of equity exposure.

The fund aims to exclude securities issued by:

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

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

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

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

Further information on M&G's approach to ESG standards and exclusions and impact criteria can be found on our website at [mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf](https://www.mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf)

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

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

# Authorised Corporate Director's Report

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

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

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

## Investment approach

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

The fund manager's assessment of ESG criteria and impact criteria relies upon the use of third-party ESG information and/or proprietary analysis.

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

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

## Benchmark

IA Mixed Investment 0-35% Shares Sector

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

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

## 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 13 to 15.

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



### The above number:

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

# Authorised Corporate Director's Report

## Investment review

For the year ended 31 October 2024

### Volatility against objective

It is not yet possible to measure the fund's volatility (the degree to which the price varies) against its five-year volatility objective, which is to limit average volatility to 9% per annum while providing a combination of capital growth and income over any five-year period, because the fund was only launched on 8 December 2020.

Volatility over a shorter period is not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's investment objective.

Currently, annualised volatility is sitting at around 6.9%, below the 9% limit.

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	9.0	6.9

### Performance against objective

Between 1 November 2023 (the start of the review period) and 31 October 2024, the M&G Sustainable Multi Asset Cautious Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. Performance was behind that of the benchmark, the IA Mixed Investment 0-35% Shares Sector, which produced a return of 11.2% over the same period. The fund's performance against its objective cannot be assessed as the fund launched less than five years ago.

### Performance review

Falling inflation, broadly encouraging economic data and the commencement of central bank interest rate cuts helped most major equity and bond markets register positive returns over the period. The fund remained invested across a diversified range of global asset classes and was able to deliver a healthy return in this environment.

The fund's equity exposure was the main driver of returns overall. Many of the fund's 'positive impact' equity investments performed well, benefiting from an

easing in the outlook for financing costs, particularly in the final months of 2023 as expectations of interest rate cuts grew and bond yields fell sharply.

The fund favoured undervalued equity markets throughout the period. For example, a decision to add tactical exposure to Hong Kong/China equities in January was rewarded as these markets bounced back from extreme levels of market pessimism.

Political uncertainty created by elections in Europe contributed to some price weakness among European assets in June, however our equity exposure here was a leading contributor over the entire period, benefiting from the European Central Bank's decision to become one of the first major central banks to cut rates.

Changeable news flow on the state of the US economy and speculation over the potential size of interest rate cuts triggered bouts of market volatility at times. The US Federal Reserve (Fed) opted for a 0.5% cut in September which positively surprised markets. Meanwhile, in China, a stimulus announcement heralded a sharp rally in Chinese equities.

The third quarter witnessed a notable market rotation into small cap equities, value equities and other interest-rate sensitive areas of the equity market following the release of weakening inflation and jobs data in the US. This benefited the fund's listed green infrastructure holdings whose performance stabilised after a difficult period for the asset class.

The fund's diversified mix of duration assets – including several sovereign green bonds and supranational bonds across various jurisdictions – performed well and acted as a valuable diversifier during bouts of volatility in other asset classes. Duration is a measure of a bond's sensitivity to changes in interest rates – the longer a bond's duration the more sensitive it is to interest rate movements. The fund's emerging market debt exposure also increased in value over the period, however gains were wiped out by weakening local emerging market (EM) currencies versus sterling, particularly in Latin America.

# Authorised Corporate Director's Report

The fund's natural aversion to the high-carbon energy sector was beneficial given a subdued oil price over the period.

## Investment activities

In the bond space, we diversified our developed market sovereign bond exposure at the start of the period, favouring a more balanced exposure across the yield curve and across countries. (The yield curve is a graphical representation of the interest rates on debt for a range of maturities). We continued this process in the first quarter by reducing holdings of five-year US Treasuries in favour of 30-year German bunds. The fund also reduced its EM sovereign bond exposure slightly in March.

We took the opportunity to acquire further sustainable assets at what we considered attractive valuations by adding to an existing position in locally-domiciled Mexican sustainable bonds, after sharp price falls across Mexican assets following the country's elections in the second quarter of 2024.

We added to US 30-year bonds and a UK sovereign green bond at the start of August – increasing duration at a time when inflation was continuing to normalise and bond yields remained elevated.

Towards the end of the period we reduced our holdings of high yield bonds in favour of attractively valued UK equities. Among our EM bond holdings, we sold a position in Chile in favour of a green bond in Mexico and a Turkish lira-denominated supranational bond. Finally, we switched from 10-year US Treasuries into an Australian green bond, maintaining fund duration but better diversifying our bond exposure further.

## Outlook

The M&G Sustainable Multi Asset Cautious Fund was launched in December 2020 and has not attracted the expected level of interest from investors; as a result it has not attained the size required to make it commercially viable. Following a review we concluded that there was little prospect for the fund's growth in the foreseeable future. Consequently, we have decided to merge the M&G Sustainable Multi Asset Cautious Fund into the M&G Episode Allocation Fund. The M&G

Episode Allocation Fund (the receiving fund) has been elected based on sharing similar characteristics as the M&G Sustainable Multi Asset Cautious Fund (merging fund) and we believe the merger to be the best option for investors as it will provide an alternative investment solution for the long term. An extraordinary general meeting was held on 6 November 2024 where this merger was approved. The merger subsequently took place on 22 November 2024.

## 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 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities</b>	<b>11,773</b>	<b>24.98</b>	<b>22.37</b>
<b>United Kingdom</b>	<b>2,462</b>	<b>5.22</b>	<b>4.07</b>
<b>UK equities</b>	<b>2,462</b>	<b>5.22</b>	<b>4.07</b>
29,654 Aviva PLC	135	0.29	
3,871 Bank of Georgia Group PLC	160	0.34	
5,990 Compass Group PLC	150	0.32	
27,000 DS Smith PLC	136	0.29	
497,002 Greencoat U.K. Wind PLC	658	1.40	
6,304 GSK PLC	87	0.18	
463,146 Home REIT PLC <sup>a</sup>	66	0.14	
702 London Stock Exchange Group PLC	73	0.15	
27,800 NatWest Group PLC	104	0.22	
718,721 Octopus Renewables Infrastructure Trust PLC	562	1.19	
4,087 RELX PLC	146	0.31	
1,976 Unilever PLC	93	0.20	
127,405 Vodafone Group PLC	92	0.19	
<b>Denmark</b>	<b>427</b>	<b>0.91</b>	<b>0.99</b>
<b>Danish equities</b>	<b>427</b>	<b>0.91</b>	<b>0.99</b>
5,022 ALK-Abello AS	91	0.19	
1,211 Novo Nordisk AS	103	0.22	
3,527 Orsted AS	160	0.34	
5,006 Vestas Wind Systems AS	73	0.16	
<b>France</b>	<b>464</b>	<b>0.98</b>	<b>0.92</b>
<b>French equities</b>	<b>464</b>	<b>0.98</b>	<b>0.92</b>
510 Capgemini SE	68	0.14	
2,303 Danone SA	126	0.27	
358 L'Oreal SA	102	0.21	
838 Schneider Electric SE	168	0.36	
<b>Germany</b>	<b>398</b>	<b>0.84</b>	<b>0.64</b>
<b>German equities</b>	<b>398</b>	<b>0.84</b>	<b>0.64</b>
294 Allianz SE	71	0.15	
2,366 Bayerische Motoren Werke AG	145	0.31	



# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>Germany (continued)</b>			
<b>German equities (continued)</b>			
1,915 Fresenius Medical Care AG	57	0.12	
684 SAP SE	125	0.26	
<b>Guernsey</b>	<b>591</b>	<b>1.25</b>	<b>1.27</b>
<b>Guernsey equities</b>	<b>591</b>	<b>1.25</b>	<b>1.27</b>
607,020 Renewables Infrastructure Group Ltd.	591	1.25	
<b>Ireland</b>	<b>686</b>	<b>1.46</b>	<b>1.21</b>
<b>Irish equities</b>	<b>686</b>	<b>1.46</b>	<b>1.21</b>
914,557 Greencoat Renewables PLC <sup>b</sup>	686	1.46	
<b>Italy</b>	<b>84</b>	<b>0.18</b>	<b>0.40</b>
<b>Italian equities</b>	<b>84</b>	<b>0.18</b>	<b>0.40</b>
12,575 Terna - Rete Elettrica Nazionale	84	0.18	
<b>Netherlands</b>	<b>125</b>	<b>0.27</b>	<b>0.23</b>
<b>Dutch equities</b>	<b>125</b>	<b>0.27</b>	<b>0.23</b>
9,527 ING Groep NV	125	0.27	
<b>Spain</b>	<b>405</b>	<b>0.86</b>	<b>0.87</b>
<b>Spanish equities</b>	<b>405</b>	<b>0.86</b>	<b>0.87</b>
1,495 Amadeus IT Group SA	83	0.18	
21,553 CaixaBank SA	100	0.21	
11,780 EDP Renovaveis SA	124	0.26	
27,409 Telefonica SA	98	0.21	
<b>United States</b>	<b>3,977</b>	<b>8.44</b>	<b>7.11</b>
<b>US equities</b>	<b>3,977</b>	<b>8.44</b>	<b>7.11</b>
1,610 Agilent Technologies, Inc.	162	0.34	
1,282 Alphabet, Inc. A	172	0.36	
835 American Express Co.	176	0.37	
4,083 AMERISAFE, Inc.	172	0.36	
466 ANSYS, Inc.	117	0.25	
624 Apple, Inc.	111	0.24	
431 Autodesk, Inc.	95	0.20	
3,316 Ball Corp.	163	0.35	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>United States (continued)</b>			
<b>US equities (continued)</b>			
3,258 Bank of New York Mellon Corp.	189	0.40	
345 Becton Dickinson & Co.	63	0.13	
1,562 Bright Horizons Family Solutions, Inc.	159	0.34	
1,125 CBRE Group, Inc.	114	0.24	
3,077 Cisco Systems, Inc.	132	0.28	
2,133 eBay, Inc.	96	0.20	
1,371 Enphase Energy, Inc.	88	0.19	
585 Illumina, Inc.	66	0.14	
7,092 Intel Corp.	122	0.26	
3,204 Johnson Controls International PLC	187	0.40	
1,476 Kellanova	91	0.19	
1,740 Lam Research Corp.	102	0.22	
260 Mastercard, Inc.	103	0.22	
405 Microsoft Corp.	131	0.28	
1,532 ON Semiconductor Corp.	87	0.18	
674 PNC Financial Services Group, Inc.	98	0.21	
722 Procter & Gamble Co.	92	0.20	
577 QUALCOMM, Inc.	75	0.16	
1,021 Quest Diagnostics, Inc.	122	0.26	
757 Republic Services, Inc.	116	0.25	
589 SolarEdge Technologies, Inc.	8	0.02	
219 Thermo Fisher Scientific, Inc.	92	0.19	
312 UnitedHealth Group, Inc.	136	0.29	
3,973 Verizon Communications, Inc.	127	0.27	
363 Visa, Inc.	81	0.17	
1,395 Xylem, Inc.	132	0.28	
<b>Canada</b>	<b>58</b>	<b>0.12</b>	<b>0.18</b>
<b>Canadian equities</b>	<b>58</b>	<b>0.12</b>	<b>0.18</b>
3,134 Boralex, Inc.	58	0.12	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>Brazil</b>	<b>0</b>	<b>0.00</b>	<b>0.50</b>
<b>Brazilian equities</b>	<b>0</b>	<b>0.00</b>	<b>0.50</b>
<b>Japan</b>	<b>481</b>	<b>1.02</b>	<b>1.02</b>
<b>Japanese equities</b>	<b>481</b>	<b>1.02</b>	<b>1.02</b>
2,200 Dai-ichi Life Holdings, Inc.	43	0.09	
3,000 Hitachi Ltd.	58	0.12	
2,500 Horiba Ltd.	119	0.25	
13,600 Katitas Co. Ltd.	133	0.28	
5,100 Panasonic Holdings Corp.	31	0.07	
3,000 Sony Group Corp.	41	0.09	
2,600 Takeda Pharmaceutical Co. Ltd.	56	0.12	
<b>Australia</b>	<b>264</b>	<b>0.56</b>	<b>0.53</b>
<b>Australian equities</b>	<b>264</b>	<b>0.56</b>	<b>0.53</b>
13,326 Brambles Ltd.	123	0.26	
984 Cochlear Ltd.	141	0.30	
<b>Hong Kong</b>	<b>441</b>	<b>0.94</b>	<b>0.84</b>
<b>Hong Kong equities</b>	<b>441</b>	<b>0.94</b>	<b>0.84</b>
32,800 AIA Group Ltd.	200	0.43	
132,000 Lenovo Group Ltd.	134	0.28	
68,400 Swire Properties Ltd.	107	0.23	
<b>India</b>	<b>164</b>	<b>0.35</b>	<b>0.27</b>
<b>Indian equities</b>	<b>164</b>	<b>0.35</b>	<b>0.27</b>
3,331 HDFC Bank Ltd. ADR	164	0.35	
<b>Indonesia</b>	<b>175</b>	<b>0.37</b>	<b>0.00</b>
<b>Indonesian equities</b>	<b>175</b>	<b>0.37</b>	<b>0.00</b>
742,700 Bank Rakyat Indonesia Persero Tbk. PT	175	0.37	
<b>South Korea</b>	<b>108</b>	<b>0.23</b>	<b>0.23</b>
<b>South Korean equities</b>	<b>108</b>	<b>0.23</b>	<b>0.23</b>
3,265 Samsung Electronics Co. Ltd.	108	0.23	
<b>Taiwan</b>	<b>463</b>	<b>0.98</b>	<b>0.83</b>
<b>Taiwanese equities</b>	<b>463</b>	<b>0.98</b>	<b>0.83</b>
25,000 ASE Technology Holding Co. Ltd.	94	0.20	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>Taiwan (continued)</b>			
<b>Taiwanese equities (continued)</b>			
77,733 Cathay Financial Holding Co. Ltd.	129	0.27	
138,891 E.Sun Financial Holding Co. Ltd.	91	0.19	
6,000 Taiwan Semiconductor Manufacturing Co. Ltd.	149	0.32	
<b>South Africa</b>	<b>0</b>	<b>0.00</b>	<b>0.26</b>
<b>South African equities</b>	<b>0</b>	<b>0.00</b>	<b>0.26</b>
<b>Fixed income</b>	<b>29,044</b>	<b>61.61</b>	<b>67.06</b>
<b>United Kingdom</b>			
<b>Government bonds</b>			
£4,200,000 U.K. Gilts 0.875% 31/07/2033	3,149	6.68	
£4,320,000 U.K. Gilts 1.5% 31/07/2053	2,103	4.46	
£1,400,000 U.K. Treasury Bills 0% 18/11/2024	1,397	2.97	
£1,263,000 U.K. Treasury Bills 0% 25/11/2024	1,259	2.67	
£1,326,000 U.K. Treasury Bills 0% 02/12/2024	1,321	2.80	
£950,000 U.K. Treasury Bills 0% 16/12/2024	944	2.00	
£475,000 U.K. Treasury Bills 0% 13/01/2025	470	1.00	
£1,300,000 U.K. Treasury Bills 0% 10/03/2025	1,278	2.71	
<b>Investment grade corporate bonds</b>	<b>685</b>	<b>1.45</b>	<b>1.05</b>
IDR6,440,000,000 European Bank for Reconstruction & Development 4.25% 07/02/2028	297	0.63	
IDR10,080,000 European Bank for Reconstruction & Development 28% 27/09/2027	188	0.40	
€248,000 Vodafone Group PLC 0.9% 24/11/2026	200	0.42	
<b>Belgium</b>	<b>162</b>	<b>0.34</b>	<b>0.44</b>
<b>Investment grade corporate bonds</b>	<b>162</b>	<b>0.34</b>	<b>0.44</b>
€200,000 KBC Group NV Var 0.25% 01/03/2027	162	0.34	
<b>France</b>	<b>887</b>	<b>1.88</b>	<b>2.59</b>
<b>Investment grade corporate bonds</b>	<b>887</b>	<b>1.88</b>	<b>2.05</b>
US\$413,000 Electricite de France SA 3.625% 13/10/2025	314	0.67	
€200,000 Societe Generale SA Var 0.875% 22/09/2028	156	0.33	
€500,000 Unibail-Rodamco-Westfield SE 3.5% 11/09/2029	417	0.88	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.54</b>

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>Germany</b>	<b>3,867</b>	<b>8.20</b>	<b>2.80</b>
<b>Government bonds</b>	<b>3,336</b>	<b>7.08</b>	<b>1.35</b>
€1,560,000 Bundesrepublik Deutschland Bundesanleihe 0% 15/08/2030	1,150	2.44	
€1,600,000 Bundesrepublik Deutschland Bundesanleihe 1.8% 15/08/2053	1,117	2.37	
€1,280,000 Bundesrepublik Deutschland Bundesanleihe 2.3% 15/02/2033	1,069	2.27	
<b>Investment grade corporate bonds</b>	<b>531</b>	<b>1.12</b>	<b>1.05</b>
€780,000 Mercedes-Benz Group AG 0.75% 11/03/2033	531	1.12	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.40</b>
<b>Italy</b>	<b>190</b>	<b>0.40</b>	<b>1.14</b>
<b>Government bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.62</b>
<b>Investment grade corporate bonds</b>	<b>190</b>	<b>0.40</b>	<b>0.52</b>
€218,000 Intesa Sanpaolo SpA 4.75% 06/09/2027	190	0.40	
<b>Luxembourg</b>	<b>2,245</b>	<b>4.76</b>	<b>5.57</b>
<b>Investment grade corporate bonds</b>	<b>2,245</b>	<b>4.76</b>	<b>5.57</b>
ZAR17,800,000 European Investment Bank 0% 18/10/2032	382	0.81	
US\$2,520,000 European Investment Bank 3.75% 14/02/2033	1,863	3.95	
<b>Netherlands</b>	<b>713</b>	<b>1.51</b>	<b>0.43</b>
<b>Investment grade corporate bonds</b>	<b>713</b>	<b>1.51</b>	<b>0.43</b>
€700,000 EDP Finance BV 1.875% 21/09/2029	553	1.17	
€200,000 ING Groep NV 2.5% 15/11/2030	160	0.34	
<b>Portugal</b>	<b>0</b>	<b>0.00</b>	<b>1.18</b>
<b>Investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>1.18</b>
<b>Sweden</b>	<b>157</b>	<b>0.33</b>	<b>1.50</b>
<b>Investment grade corporate bonds</b>	<b>157</b>	<b>0.33</b>	<b>0.42</b>
€196,000 Swedbank AB Var 0.3% 20/05/2027	157	0.33	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>1.08</b>
<b>United States</b>	<b>5,537</b>	<b>11.75</b>	<b>16.56</b>
<b>Investment grade corporate bonds</b>	<b>5,537</b>	<b>11.75</b>	<b>15.19</b>
€100,000 Apple, Inc. 0% 15/11/2025	81	0.17	
US\$422,000 Apple, Inc. 3% 20/06/2027	315	0.67	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>United States (continued)</b>			
<b>Investment grade corporate bonds (continued)</b>			
US\$750,000 Boston Properties LP 2.55% 01/04/2032	471	1.00	
US\$288,000 HCA, Inc. 5.45% 01/04/2031	224	0.48	
US\$2,450,000 Inter-American Development Bank 4.375% 24/01/2044	1,782	3.78	
IDR5,620,000,000 Inter-American Development Bank 5.1% 17/11/2026	269	0.57	
MXN14,340,000 International Bank for Reconstruction & Development 4.25% 22/01/2026	514	1.09	
BRL4,880,000 International Bank for Reconstruction & Development 5% 22/01/2026	611	1.30	
INR40,500,000 International Bank for Reconstruction & Development 6.85% 24/04/2028	370	0.78	
US\$586,000 Prologis LP 1.25% 15/10/2030	369	0.78	
US\$800,000 Xylem, Inc. 2.25% 30/01/2031	531	1.13	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>1.37</b>
<b>Chile</b>	<b>583</b>	<b>1.24</b>	<b>2.64</b>
<b>Government bonds</b>	<b>583</b>	<b>1.24</b>	<b>2.64</b>
€990,000 Chile Government International Bonds 1.25% 29/01/2040	583	1.24	
<b>Colombia</b>	<b>293</b>	<b>0.62</b>	<b>0.65</b>
<b>Government bonds</b>	<b>293</b>	<b>0.62</b>	<b>0.65</b>
COP1,978,200,000 Colombia TES 7% 26/03/2031	293	0.62	
<b>Mexico</b>	<b>813</b>	<b>1.73</b>	<b>0.00</b>
<b>Government bonds</b>	<b>813</b>	<b>1.73</b>	<b>0.00</b>
MXN24,400,000 Mexico Bonos 8% 24/05/2035	813	1.73	
<b>Australia</b>	<b>1,223</b>	<b>2.60</b>	<b>0.00</b>
<b>Government bonds</b>	<b>1,223</b>	<b>2.60</b>	<b>0.00</b>
AU\$2,461,000 Australia Government Bonds 4.25% 21/06/2034	1,223	2.60	
<b>Debt derivatives</b>	<b>(232)</b>	<b>(0.49)</b>	<b>(1.60)</b>
<b>Interest rate futures</b>	<b>(232)</b>	<b>(0.49)</b>	<b>(1.60)</b>
34 CBOT Ultra Long-Term U.S. Treasury Bond Futures Dec 2024	(232)	(0.49)	
<b>Fixed income portfolios</b>	<b>4,539</b>	<b>9.63</b>	<b>4.48</b>
<b>Other</b>	<b>4,539</b>	<b>9.63</b>	<b>4.48</b>
229,870 iShares EUR Corp. Bond 0-3yr ESG UCITS ETF	966	2.05	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income portfolios (continued)</b>			
<b>Other (continued)</b>			
648,000 iShares EUR Corp. Bond ESG UCITS ETF	2,589	5.49	
252,010 iShares USD Corp. Bond 0-3yr ESG UCITS ETF	984	2.09	
<b>Currency</b>	<b>(56)</b>	<b>(0.12)</b>	<b>(0.01)</b>
<b>Forward currency contracts</b>	<b>(56)</b>	<b>(0.12)</b>	<b>(0.01)</b>
US\$149,938 Bought for KRW202,424,920 (expires 15.11.24)	2	0.00	
AU\$(3,060,289) Sold for £1,550,569 (expires 18.11.24)	1	0.00	
CA\$(193,393) Sold for £107,394 (expires 18.11.24)	0	0.00	
DKK(4,149,924) Sold for £464,354 (expires 18.11.24)	(2)	0.00	
€(14,857,813) Sold for £12,397,523 (expires 18.11.24)	(52)	(0.11)	
HK\$(3,871,318) Sold for £383,790 (expires 18.11.24)	0	0.00	
US\$(4,284,646) Sold for £3,300,051 (expires 18.11.24)	(2)	0.00	
US\$599,540 Bought for TWD19,268,620 (expires 15.11.24)	(3)	(0.01)	
<b>Total portfolio</b>	<b>45,300</b>	<b>96.10</b>	<b>93.90</b>
<b>Net other assets/(liabilities)</b>	<b>1,840</b>	<b>3.90</b>	<b>6.10</b>
<b>Net assets attributable to shareholders</b>	<b>47,140</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> Suspended.

<sup>b</sup> AIM quoted.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 October 2024

Largest purchases	£'000
European Investment Bank 3.75% 14/02/2033	1,907
U.K. Gilts 0.875% 31/07/2033	1,659
U.K. Gilts 1.5% 31/07/2053	1,457
International Bank for Reconstruction & Development 0.75% 26/08/2030	1,447
U.K. Treasury Bills 0% 18/11/2024	1,377
U.K. Treasury Bills 0% 02/12/2024	1,293
U.K. Treasury Bills 0% 10/06/2024	1,272
U.K. Treasury Bills 0% 10/03/2025	1,272
Australia Government Bonds 4.25% 21/06/2034	1,266
U.K. Treasury Bills 0% 25/11/2024	1,231
Other purchases	23,770
<b>Total purchases</b>	<b>37,951</b>

Largest sales	£'000
U.K. Treasury Bills 0% 02/04/2024	2,881
U.K. Treasury Bills 0% 15/01/2024	1,906
U.K. Treasury Bills 0% 20/11/2023	1,684
European Investment Bank 0.75% 15/11/2024	1,618
International Bank for Reconstruction & Development 0.75% 26/08/2030	1,479
U.K. Treasury Bills 0% 19/02/2024	1,455
U.K. Treasury Bills 0% 10/06/2024	1,292
Inter-American Development Bank 1.375% 15/12/2024	1,221
U.K. Treasury Bills 0% 04/11/2024	1,202
U.K. Treasury Bills 0% 03/06/2024	893
Other sales	13,182
<b>Total sales</b>	<b>28,813</b>



# 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](http://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.

On 17 September 2024, the Sterling Class 'L' Accumulation shares were merged into the equivalent Sterling Class 'PP' Accumulation shares.

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+8.1	-2.4	n/a	n/a
Class 'A' Accumulation	+8.1	-2.4	n/a	n/a
Class 'I' Income	+8.4	-2.1	n/a	n/a
Class 'I' Accumulation	+8.4	-2.1	n/a	n/a
Class 'L' Accumulation	+11.6	-1.1	n/a	n/a
Class 'PP' Income	+8.5	-2.0	n/a	n/a
Class 'PP' Accumulation	+8.5	-2.0	n/a	n/a
Class 'R' Income	+8.2	-2.3	n/a	n/a
Class 'R' Accumulation	+8.2	-2.3	n/a	n/a
<b>Benchmark</b>	<b>+11.2</b>	<b>-0.1</b>	<b>n/a</b>	<b>n/a</b>

<sup>a</sup> 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 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	80.16	83.78	98.94
Return before operating charges*	7.77	0.20	(11.90)
Operating charges	(0.89)	(0.97)	(1.07)
Return after operating charges*	6.88	(0.77)	(12.97)
Distributions	(3.09)	(2.85)	(2.19)
Closing NAV	83.95	80.16	83.78
*after direct transaction cost of	0.02	0.02	0.02
<b>Performance</b>			
Return after charges (%)	8.58	(0.92)	(13.11)
<b>Other information</b>			
Closing NAV (£'000)	229	257	298
Number of shares	272,862	321,184	355,602
Operating charges (%)	1.05	1.11	1.13
Direct transaction costs (%)	0.03	0.02	0.00
<b>Prices</b>			
Highest share price (UK p)	87.37	89.38	101.44
Lowest share price (UK p)	80.34	80.41	82.95

## Sterling Class 'A' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	86.34	87.28	100.61
Return before operating charges*	8.40	0.08	(12.25)
Operating charges	(0.97)	(1.02)	(1.08)
Return after operating charges*	7.43	(0.94)	(13.33)
Distributions	(2.40)	(2.06)	(1.23)
Retained distributions	2.40	2.06	1.23
Closing NAV	93.77	86.34	87.28
*after direct transaction cost of	0.03	0.02	0.02
<b>Performance</b>			
Return after charges (%)	8.61	(1.08)	(13.25)
<b>Other information</b>			
Closing NAV (£'000)	298	299	237
Number of shares	318,008	346,122	271,812
Operating charges (%)	1.05	1.11	1.13
Direct transaction costs (%)	0.03	0.02	0.00
<b>Prices</b>			
Highest share price (UK p)	96.47	93.70	103.16
Lowest share price (UK p)	86.53	85.80	85.83

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	81.10	84.42	99.29
Return before operating charges*	7.80	0.12	(12.06)
Operating charges	(0.56)	(0.63)	(0.69)
Return after operating charges*	7.24	(0.51)	(12.75)
Distributions	(3.06)	(2.81)	(2.12)
Closing NAV	85.28	81.10	84.42
*after direct transaction cost of	0.02	0.02	0.02
<b>Performance</b>			
Return after charges (%)	8.93	(0.60)	(12.84)
<b>Other information</b>			
Closing NAV (£'000)	62	54	50
Number of shares	72,343	66,726	58,867
Operating charges (%)	0.65	0.71	0.73
Direct transaction costs (%)	0.03	0.02	0.00
<b>Prices</b>			
Highest share price (UK p)	88.45	90.16	101.81
Lowest share price (UK p)	81.29	81.33	83.56

## Sterling Class 'I' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	87.14	87.81	100.90
Return before operating charges*	8.42	(0.01)	(12.37)
Operating charges	(0.61)	(0.66)	(0.72)
Return after operating charges*	7.81	(0.67)	(13.09)
Distributions	(2.72)	(2.36)	(1.55)
Retained distributions	2.72	2.36	1.55
Closing NAV	94.95	87.14	87.81
*after direct transaction cost of	0.03	0.02	0.02
<b>Performance</b>			
Return after charges (%)	8.96	(0.76)	(12.97)
<b>Other information</b>			
Closing NAV (£'000)	518	593	440
Number of shares	545,745	680,266	501,153
Operating charges (%)	0.65	0.71	0.73
Direct transaction costs (%)	0.03	0.02	0.00
<b>Prices</b>			
Highest share price (UK p)	97.64	94.35	103.46
Lowest share price (UK p)	87.34	86.59	86.34

# Financial highlights

## Sterling Class 'L' Accumulation shares

The share class was launched on 8 December 2020.

The class was merged into Sterling Class 'PP'

Accumulation on 17 September 2024.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	87.55	88.08	101.05
Return before operating charges*	11.06	(0.05)	(12.44)
Operating charges	(0.37)	(0.48)	(0.53)
Return after operating charges*	10.69	(0.53)	(12.97)
Distributions	(2.22)	(2.52)	(1.71)
Retained distributions	2.22	2.52	1.71
NAV of in specie transfer	(98.24)	n/a	n/a
Closing NAV	0.00	87.55	88.08
*after direct transaction cost of	0.03	0.02	0.02
<b>Performance</b>			
Return after charges (%)	12.21	(0.60)	(12.84)
<b>Other information</b>			
Closing NAV (£'000)	0	12,271	12,345
Number of shares	0	14,016,040	14,016,040
Operating charges (%)	0.45	0.51	0.53
Direct transaction costs (%)	0.03	0.02	0.00
<b>Prices</b>			
Highest share price (UK p)	98.24	94.68	103.62
Lowest share price (UK p)	87.75	87.00	86.61

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	81.34	84.58	99.38
Return before operating charges*	7.80	0.10	(12.09)
Operating charges	(0.48)	(0.54)	(0.60)
Return after operating charges*	7.32	(0.44)	(12.69)
Distributions	(3.05)	(2.80)	(2.11)
Closing NAV	85.61	81.34	84.58
*after direct transaction cost of	0.02	0.02	0.02
<b>Performance</b>			
Return after charges (%)	9.00	(0.52)	(12.77)
<b>Other information</b>			
Closing NAV (£'000)	124	125	56
Number of shares	144,390	153,611	66,848
Operating charges (%)	0.55	0.61	0.63
Direct transaction costs (%)	0.03	0.02	0.00
<b>Prices</b>			
Highest share price (UK p)	88.76	90.35	101.91
Lowest share price (UK p)	81.52	81.56	83.71

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	87.36	87.95	100.98
Return before operating charges*	8.41	(0.02)	(12.42)
Operating charges	(0.52)	(0.57)	(0.61)
Return after operating charges*	7.89	(0.59)	(13.03)
Distributions	(2.80)	(2.44)	(1.63)
Retained distributions	2.80	2.44	1.63
Closing NAV	95.25	87.36	87.95
*after direct transaction cost of	0.03	0.02	0.02
<b>Performance</b>			
Return after charges (%)	9.03	(0.67)	(12.90)
<b>Other information</b>			
Closing NAV (£'000)	45,620	22,747	10,068
Number of shares	47,893,289	26,039,447	11,447,392
Operating charges (%)	0.55	0.61	0.63
Direct transaction costs (%)	0.03	0.02	0.00
<b>Prices</b>			
Highest share price (UK p)	97.95	94.53	103.54
Lowest share price (UK p)	87.55	86.80	86.47

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	80.51	84.02	99.07
Return before operating charges*	7.78	0.17	(11.96)
Operating charges	(0.77)	(0.84)	(0.93)
Return after operating charges*	7.01	(0.67)	(12.89)
Distributions	(3.08)	(2.84)	(2.16)
Closing NAV	84.44	80.51	84.02
*after direct transaction cost of	0.02	0.02	0.02
<b>Performance</b>			
Return after charges (%)	8.71	(0.80)	(13.01)
<b>Other information</b>			
Closing NAV (£'000)	74	74	74
Number of shares	88,057	91,944	88,128
Operating charges (%)	0.90	0.96	0.98
Direct transaction costs (%)	0.03	0.02	0.00
<b>Prices</b>			
Highest share price (UK p)	87.77	89.66	101.58
Lowest share price (UK p)	80.69	80.75	83.18

## Sterling Class 'R' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	86.65	87.48	100.73
Return before operating charges*	8.40	0.06	(12.30)
Operating charges	(0.84)	(0.89)	(0.95)
Return after operating charges*	7.56	(0.83)	(13.25)
Distributions	(2.52)	(2.17)	(1.35)
Retained distributions	2.52	2.17	1.35
Closing NAV	94.21	86.65	87.48
*after direct transaction cost of	0.03	0.02	0.02
<b>Performance</b>			
Return after charges (%)	8.72	(0.95)	(13.15)
<b>Other information</b>			
Closing NAV (£'000)	215	207	168
Number of shares	227,783	238,917	191,602
Operating charges (%)	0.90	0.96	0.98
Direct transaction costs (%)	0.03	0.02	0.00
<b>Prices</b>			
Highest share price (UK p)	96.91	93.95	103.28
Lowest share price (UK p)	86.83	86.10	86.02

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 October	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	3		2,152		(1,610)
Revenue	5	1,823		1,150	
Expenses	6	(236)		(159)	
Interest payable and similar charges		(1)		(1)	
Net revenue/(expense) before taxation		1,586		990	
Taxation	7	(271)		(164)	
Net revenue/(expense) after taxation			1,315		826
<b>Total return before distributions</b>			<b>3,467</b>		<b>(784)</b>
Distributions	8		(1,320)		(830)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,147</b>		<b>(1,614)</b>

### Statement of change in net assets attributable to shareholders

for the year to 31 October	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>36,627</b>		<b>23,736</b>
Amounts received on issue of shares	21,970		13,865	
Amounts paid on cancellation of shares	(14,940)		(256)	
		7,030		13,609
Dilution adjustments		11		30
Change in net assets attributable to shareholders from investment activities (see above)		2,147		(1,614)
Retained distributions on Accumulation shares		1,325		866
<b>Closing net assets attributable to shareholders</b>		<b>47,140</b>		<b>36,627</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 October	Note	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		0	35,011
<b>Current assets</b>			
Investments		45,591	0
Debtors	9	379	315
Cash and bank balances	10	1,771	2,077
<b>Total assets</b>		<b>47,741</b>	<b>37,403</b>
<b>Liabilities</b>			
Investment liabilities		(291)	(620)
<b>Creditors</b>			
Distribution payable		(4)	(5)
Other creditors	11	(306)	(151)
<b>Total liabilities</b>		<b>(601)</b>	<b>(776)</b>
<b>Net assets attributable to shareholders</b>		<b>47,140</b>	<b>36,627</b>



# 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 13.

### 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	2024 £'000	2023 £'000
Non-derivative securities	719	(928)
Derivative contracts	1,486	(680)
Currency gains/(losses)	(53)	(2)
<b>Net capital gains/(losses)</b>	<b>2,152</b>	<b>(1,610)</b>

Includes realised gains of £1,100,000 and unrealised gains of £1,052,000 (2023: realised losses of £1,022,000 and unrealised losses of £588,000). 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	2024 £'000	% of transaction	2023 £'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	3,700		2,822	
Commissions	1	0.03	1	0.03
Taxes	6	0.16	3	0.10
<b>Equities after transaction costs</b>	<b>3,707</b>		<b>2,826</b>	
<b>Debt securities</b>	<b>30,598</b>		<b>30,499</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	3,643		2,221	
Commissions	1	0.03	1	0.03
Taxes	2	0.06	1	0.06
<b>Collective investment schemes after transaction costs</b>	<b>3,646</b>		<b>2,223</b>	
<b>Total purchases after transaction costs</b>	<b>37,951</b>		<b>35,548</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	1,863		1,408	
Commissions	(1)	0.05	(1)	0.05
Taxes	(1)	0.03	0	0.02
<b>Equities after transaction costs</b>	<b>1,861</b>		<b>1,407</b>	
<b>Debt securities</b>	<b>26,715</b>		<b>21,468</b>	
<b>Collective investment schemes</b>	<b>237</b>		<b>0</b>	
<b>Total sales after transaction costs</b>	<b>28,813</b>		<b>22,875</b>	

# Financial statements and notes

	2024 £'000	% of average NAV	2023 £'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	2	0.01	2	0.01
Collective investment schemes	1	0.00	1	0.00
<b>Total commissions paid</b>	<b>3</b>	<b>0.01</b>	<b>3</b>	<b>0.01</b>
<b>Taxes paid</b>				
Equities	7	0.02	3	0.01
Collective investment schemes	2	0.00	1	0.00
<b>Total taxes paid</b>	<b>9</b>	<b>0.02</b>	<b>4</b>	<b>0.01</b>
<b>Total direct portfolio transaction costs</b>	<b>12</b>	<b>0.03</b>	<b>7</b>	<b>0.02</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.22		0.24

## 5 Revenue

for the year to 31 October	2024 £'000	2023 £'000
Bank interest	7	7
Derivative revenue	5	6
Distributions from collective investment schemes: non-taxable	19	0
Distributions from collective investment schemes: taxable	120	10
Dividends from equity investments: non-taxable	318	261
Dividends from equity investments: taxable	1	3
Interest on debt securities	1,341	852
Property distribution: non-taxable	1	1
Property distribution: taxable	6	9
Rebate of ongoing charges from underlying funds	5	1
<b>Total revenue</b>	<b>1,823</b>	<b>1,150</b>

## 6 Expenses

for the year to 31 October	2024 £'000	2023 £'000
<b>Payable to the ACD or associate</b>		
Annual charge	236	159
<b>Total expenses</b>	<b>236</b>	<b>159</b>

Audit fees for the financial year ending 2024 were £13,000 (2023: £12,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 October	2024 £'000	2023 £'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	249	146
Withholding tax	24	21
Double taxation relief	(2)	(3)
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>271</b>	<b>164</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	1,586	990
Corporation tax at 20%	317	198
<b>Effects of:</b>		
Revenue: non-taxable	(68)	(52)
Double taxation relief	(2)	(3)
Withholding tax	24	21
<b>Total tax charge (note 7a)</b>	<b>271</b>	<b>164</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset in the current financial year (2023: 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	2024		2023	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
<b>Ordinary distributions</b>				
First interim	5	311	3	133
Second interim	5	306	4	192
Third interim	5	393	5	265
Final	4	315	5	276
Total net distributions		1,344		883
Income deducted on cancellation of shares		62		1
Income received on issue of shares		(86)		(54)
<b>Distributions</b>		<b>1,320</b>		<b>830</b>
Net revenue/(expense) per statement of total return		1,315		826
Expenses offset against capital		5		4
<b>Distributions</b>		<b>1,320</b>		<b>830</b>

## 9 Debtors

as at 31 October	2024 £'000	2023 £'000
Amounts receivable on issues of shares	55	138
Currency deals outstanding	43	0
Debt security interest receivable	267	165
Dividends receivable	9	9
Withholding tax recoverable	5	3
<b>Total debtors</b>	<b>379</b>	<b>315</b>

## 10 Cash and bank balances

as at 31 October	2024 £'000	2023 £'000
Amounts held at futures clearing houses and collateral manager	374	880
Cash held as bank balances	1,397	1,197
<b>Total cash and bank balances</b>	<b>1,771</b>	<b>2,077</b>

# Financial statements and notes

## 11 Other creditors

as at 31 October	2024 £'000	2023 £'000
Amounts payable on cancellation of shares	4	0
Annual charge payable	12	8
Corporation tax payable	247	143
Currency deals outstanding	43	0
<b>Total other creditors</b>	<b>306</b>	<b>151</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2023: 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 01.11.23	Movements			Closing 31.10.24
		Issued	Cancelled	Converted	
<b>Sterling</b>					
Class 'A' Income	321,184	1,126	(49,448)	0	272,862
Class 'A' Accumulation	346,122	51,526	(79,640)	0	318,008
Class 'I' Income	66,726	11,133	(5,516)	0	72,343
Class 'I' Accumulation	680,266	209,171	(343,692)	0	545,745
Class 'L' Accumulation	14,016,040	0	(16,040)	(14,000,000)	0
Class 'PP' Income	153,611	20,749	(29,970)	0	144,390
Class 'PP' Accumulation	26,039,447	8,527,386	(714,994)	14,041,450	47,893,289
Class 'R' Income	91,944	31,967	(35,854)	0	88,057
Class 'R' Accumulation	238,917	40,390	(51,524)	0	227,783

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 %
<b>Sterling</b>	
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 period 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 period end in respect of the annual charge are disclosed in note 11.

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 28.44% (2023: 33.37%) 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.

# Financial statements and notes

## 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 2024 £'000	Liabilities 2024 £'000	Assets 2023 £'000	Liabilities 2023 £'000
Level 1	31,503	(232)	22,251	(586)
Level 2	14,022	(59)	12,694	(34)
Level 3	66	0	66	0
	<b>45,591</b>	<b>(291)</b>	<b>35,011</b>	<b>(620)</b>

Level 3 assets comprise solely of Home REIT (2023: Home REIT) 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 13 to 15.

## 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 2024 was 20% (2023: 20%).

The lowest, highest and average utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2024 and 31 October 2023.

for the year to 31 October	2024 Utilisation of VaR 20%	2023 Utilisation of VaR 20%
Lowest	18.85	17.90
Highest	22.25	23.00
Average	20.75	20.15

## 19 Credit risk

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

as at 31 October	2024 £'000	2023 £'000
Investment grade securities	29,276	23,668
Below investment grade securities	0	1,479
Other investments	16,024	9,244
<b>Total</b>	<b>45,300</b>	<b>34,391</b>



# Financial statements and notes

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 2024	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(232)
Barclays Bank	(5)	0
Citigroup	2	0
HSBC	(2)	0
National Australia Bank	1	0
UBS	(52)	0
<b>Total</b>	<b>(56)</b>	<b>(232)</b>

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(586)
JPMorgan	(1)	0
State Street Bank	(33)	0
UBS	29	0
<b>Total</b>	<b>(5)</b>	<b>(586)</b>

## 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 year ended 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	2024 £'000	2024 %	2023 £'000	2023 %
Lowest	47,541	127.00	32,782	128.00
Highest	770,471	266.00	78,948	252.00
Average	73,296	159.19	46,178	151.28

# Financial statements and notes

## 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	01.11.23	31.01.24	01.02.24	31.03.24
Second interim	01.02.24	30.04.24	01.05.24	30.06.24
Third interim	01.05.24	31.07.24	01.08.24	30.09.24
Final	01.08.24	31.10.24	01.11.24	31.12.24

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	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
First interim	0.2515	0.5216	0.7731	0.5713
Second interim	0.3281	0.4026	0.7307	0.7064
Third interim	0.4008	0.4689	0.8697	0.8219
Final	0.2485	0.4644	0.7129	0.7521

### Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
First interim	0.0695	0.5222	0.5917	0.3570
Second interim	0.5325	0.0241	0.5566	0.5113
Third interim	0.3202	0.3883	0.7085	0.6210
Final	0.3146	0.2239	0.5385	0.5668

# Financial statements and notes

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.7289	0.0364	0.7653	0.5582
Second interim	0.4046	0.3193	0.7239	0.6958
Third interim	0.1573	0.7067	0.8640	0.8122
Final	0.3834	0.3224	0.7058	0.7439

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.2927	0.3788	0.6715	0.4301
Second interim	0.3671	0.2684	0.6355	0.5853
Third interim	0.3746	0.4172	0.7918	0.7021
Final	0.2891	0.3334	0.6225	0.6441

## Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.7120	0.0000	0.7120	0.4702
Second interim	0.6756	0.0000	0.6756	0.6228
Third interim	0.8344	0.0000	0.8344	0.7430
Final	n/a	n/a	n/a	0.6836

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.0538	0.7093	0.7631	0.5560
Second interim	0.7218	0.0000	0.7218	0.6926
Third interim	0.1361	0.7273	0.8634	0.8097
Final	0.7050	0.0000	0.7050	0.7406

# Financial statements and notes

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.3428	0.3488	0.6916	0.4517
Second interim	0.2954	0.3602	0.6556	0.6039
Third interim	0.4128	0.4001	0.8129	0.7229
Final	0.2599	0.3835	0.6434	0.6636

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4051	0.3650	0.7701	0.5662
Second interim	0.4724	0.2553	0.7277	0.7024
Third interim	0.1319	0.7356	0.8675	0.8184
Final	0.2014	0.5086	0.7100	0.7489

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.2938	0.3275	0.6213	0.3849
Second interim	0.2407	0.3452	0.5859	0.5389
Third interim	0.1782	0.5611	0.7393	0.6512
Final	0.2791	0.2903	0.5694	0.5957

## 22 Events after the balance sheet date

With effect 22 November 2024 the M&G Sustainable Multi Asset Cautious Fund merged into the M&G Episode Allocation Fund.

# Authorised Corporate Director's Report

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

## Investment objective

The fund has two aims:

- To limit the average volatility to 17% per annum over any five-year period while providing a total return (the combination of capital growth and income) over that period; and
- To invest in assets which meet the fund's preferred ESG standards and/or those that provide a positive societal impact through addressing the world's major social and environmental challenges.

## Investment policy

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

Typically, the fund holds 55-100% of its net asset value in equities and equity-related securities, but there is no obligation on the fund manager to hold a particular level of equity exposure.

The fund aims to exclude securities issued by:

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

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

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

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

Further information on M&G's approach to ESG standards and exclusions and impact criteria can be found on our website at [mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf](https://mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/esg-literature/esg-criteria-sustainable-multi-asset-balanced-cautious-growth-fund.pdf)

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

The only investments that are not subject to assessment relative to the fund's non-financial objective are: the use of derivatives to take advantage

# Authorised Corporate Director's Report

of short-term market movements and to hedge currency exposures, and cash.

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

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

## Investment approach

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

The fund manager's assessment of ESG criteria and impact criteria relies upon the use of third-party ESG information and/or proprietary analysis.

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

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

## Benchmark

IA Flexible Investment Sector

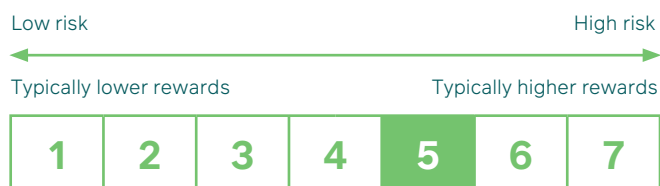
The benchmark is a comparator for the fund's financial objective against which the fund's financial performance can be measured. The sector has been chosen as the fund's benchmark as it reflects the financial aspects of the fund's investment policy. The comparator benchmark does not constrain the fund's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

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

## 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 13 to 15.

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



### The above number:

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

# Authorised Corporate Director's Report

## Investment review

For the year ended 31 October 2024

### Volatility against objective

It is not yet possible to measure the fund's volatility (the degree to which the price varies) against its five-year volatility objective, which is to limit average volatility to 17% per annum while providing a combination of capital growth and income over any five-year period, because the fund was only launched on 8 December 2020. Volatility over a shorter period is not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's investment objective. Currently, annualised volatility is sitting at around 8.5%, below the 17% limit.

	Objective volatility over five year period % pa	Current volatility over one year (annualised) %
Sterling Class 'A' Acc shares	17.0	8.5

### Performance against objective

Between 1 November 2023 (the start of the review period) and 31 October 2024, the M&G Sustainable Multi Asset Growth Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. Performance was ahead of that of the benchmark, the IA Flexible Investment Sector, which produced a return of 16.1% over the same period. The fund's performance against its objective cannot be assessed as the fund launched less than five years ago.

### Performance review

Falling inflation, broadly encouraging economic data and the commencement of central bank interest rate cuts helped most major equity and bond markets register positive returns over the period. The fund remained invested across a diversified range of global asset classes and was able to deliver a healthy return in this environment.

The fund's equity exposure was the main driver of returns overall. Many of the fund's 'positive impact' equity investments performed well, benefiting from an

easing in the outlook for financing costs, particularly in the final months of 2023 as expectations of interest rate cuts grew and bond yields fell sharply.

The fund favoured undervalued equity markets throughout the period. For example, a decision to add tactical exposure to Hong Kong/China equities in January was rewarded as these markets bounced back from extreme levels of market pessimism.

Political uncertainty created by elections in Europe contributed to some price weakness among European assets in June, however our equity exposure here was a significant contributor over the entire period, benefiting from the European Central Bank's decision to become one of the first major central banks to cut rates.

Changeable news flow on the state of the US economy and speculation over the potential size of interest rate cuts triggered bouts of market volatility at times. The US Federal Reserve (Fed) opted for a 0.5% cut in September which positively surprised markets. Meanwhile, in China, a stimulus announcement heralded a sharp rally in Chinese equities.

The third quarter witnessed a notable market rotation into small cap equities, value equities and other interest-rate sensitive areas of the equity market following the release of weakening inflation and jobs data in the US. This benefited the fund's listed green infrastructure holdings whose performance stabilised after a difficult extended period for the asset class.

The fund's diversified mix of duration assets – including several sovereign green bonds and supranational bonds across various jurisdictions – performed well and acted as a valuable diversifier during bouts of volatility in other asset classes. Duration is a measure of a bond's sensitivity to changes in interest rates – the longer a bond's duration the more sensitive it is to interest rate movements. The fund's emerging market debt exposure also increased in value over the period, however gains were wiped out by weakening local emerging market (EM) currencies versus sterling, particularly in Latin America.

# Authorised Corporate Director's Report

The fund's natural aversion to the high-carbon energy sector was beneficial given a subdued oil price over the period.

## Investment activities

In the bond space, we diversified our developed market sovereign bond exposure at the start of the period, favouring a more balanced exposure across the yield curve and across countries. (The yield curve is a graphical representation of the interest rates on debt for a range of maturities). We continued this process in the first quarter by reducing holdings of five-year US Treasuries in favour of 30-year German bunds. The fund also reduced its EM sovereign bond exposure slightly in March.

We took the opportunity to acquire further sustainable assets at what we considered attractive valuations by adding to an existing position in locally-domiciled Mexican sustainable bonds, after sharp price falls across Mexican assets following the country's elections in the second quarter of 2024.

We added to US 30-year bonds and a UK sovereign green bond at the start of August – increasing duration at a time when inflation was continuing to normalise and bond yields remained elevated.

Towards the end of the period we reduced our holdings of high yield bonds in favour of attractively valued UK equities. Among our EM bond holdings, we sold a position in Chile in favour of a green bond in Mexico and a Turkish lira-denominated supranational bond. Finally, we switched from 10-year US Treasuries into an Australian green bond, maintaining fund duration but better diversifying our bond exposure further.

## Outlook

The M&G Sustainable Multi Asset Growth Fund was launched in December 2020 and has not attracted the expected level of interest from investors; as a result, it has not attained the size required to make it commercially viable. Following a review we concluded that there was little prospect for the fund's growth in the foreseeable future. Consequently, we have decided to merge the M&G Sustainable Multi Asset Growth Fund into the M&G Episode Growth Fund. The M&G

Episode Growth Fund (the receiving fund) has been elected based on sharing similar characteristics as the M&G Sustainable Multi Asset Growth Fund (merging fund) and we believe the merger to be the best option for investors as it will provide an alternative investment solution for the long term. An extraordinary general meeting was held on 6 November 2024 where this merger was approved. The merger subsequently took place on 22 November 2024.

## 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 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities</b>	<b>17,456</b>	<b>66.98</b>	<b>62.14</b>
<b>United Kingdom</b>	<b>2,508</b>	<b>9.62</b>	<b>6.72</b>
<b>UK equities</b>	<b>2,508</b>	<b>9.62</b>	<b>6.72</b>
38,835 Aviva PLC	177	0.68	
5,323 Bank of Georgia Group PLC	221	0.85	
7,845 Compass Group PLC	196	0.75	
48,825 DS Smith PLC	246	0.94	
276,108 Greencoat U.K. Wind PLC	366	1.40	
10,615 GSK PLC	146	0.56	
397,101 Home REIT PLC <sup>a</sup>	56	0.22	
1,050 London Stock Exchange Group PLC	109	0.42	
46,809 NatWest Group PLC	175	0.67	
402,827 Octopus Renewables Infrastructure Trust PLC	315	1.21	
5,352 RELX PLC	191	0.73	
3,327 Unilever PLC	156	0.60	
214,519 Vodafone Group PLC	154	0.59	
<b>Denmark</b>	<b>704</b>	<b>2.70</b>	<b>2.88</b>
<b>Danish equities</b>	<b>704</b>	<b>2.70</b>	<b>2.88</b>
10,473 ALK-Abello AS	189	0.72	
2,444 Novo Nordisk AS	208	0.80	
3,004 Orsted AS	136	0.52	
11,721 Vestas Wind Systems AS	171	0.66	
<b>France</b>	<b>793</b>	<b>3.04</b>	<b>3.23</b>
<b>French equities</b>	<b>793</b>	<b>3.04</b>	<b>3.23</b>
1,283 Capgemini SE	172	0.66	
4,206 Danone SA	230	0.88	
633 L'Oreal SA	181	0.69	
1,050 Schneider Electric SE	210	0.81	
<b>Germany</b>	<b>797</b>	<b>3.06</b>	<b>2.84</b>
<b>German equities</b>	<b>797</b>	<b>3.06</b>	<b>2.84</b>
685 Allianz SE	166	0.64	
3,923 Bayerische Motoren Werke AG	240	0.92	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>Germany (continued)</b>			
<b>German equities (continued)</b>			
5,109 Fresenius Medical Care AG	152	0.58	
1,313 SAP SE	239	0.92	
<b>Guernsey</b>	<b>327</b>	<b>1.26</b>	<b>1.47</b>
<b>Guernsey equities</b>	<b>327</b>	<b>1.26</b>	<b>1.47</b>
335,722 Renewables Infrastructure Group Ltd.	327	1.26	
<b>Ireland</b>	<b>388</b>	<b>1.49</b>	<b>1.39</b>
<b>Irish equities</b>	<b>388</b>	<b>1.49</b>	<b>1.39</b>
516,841 Greencoat Renewables PLC <sup>P</sup>	388	1.49	
<b>Italy</b>	<b>213</b>	<b>0.82</b>	<b>1.57</b>
<b>Italian equities</b>	<b>213</b>	<b>0.82</b>	<b>1.57</b>
31,886 Terna - Rete Elettrica Nazionale	213	0.82	
<b>Netherlands</b>	<b>196</b>	<b>0.75</b>	<b>0.85</b>
<b>Dutch equities</b>	<b>196</b>	<b>0.75</b>	<b>0.85</b>
14,930 ING Groep NV	196	0.75	
<b>Spain</b>	<b>846</b>	<b>3.25</b>	<b>2.91</b>
<b>Spanish equities</b>	<b>846</b>	<b>3.25</b>	<b>2.91</b>
3,858 Amadeus IT Group SA	215	0.83	
36,541 CaixaBank SA	170	0.65	
22,846 EDP Renovaveis SA	239	0.92	
61,958 Telefonica SA	222	0.85	
<b>United States</b>	<b>7,008</b>	<b>26.89</b>	<b>22.52</b>
<b>US equities</b>	<b>7,008</b>	<b>26.89</b>	<b>22.52</b>
2,002 Agilent Technologies, Inc.	201	0.77	
2,170 Alphabet, Inc. A	291	1.12	
1,065 American Express Co.	224	0.86	
6,698 AMERISAFE, Inc.	282	1.08	
885 ANSYS, Inc.	222	0.85	
1,463 Apple, Inc.	259	0.99	
754 Autodesk, Inc.	166	0.64	
4,388 Ball Corp.	216	0.83	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>United States (continued)</b>			
<b>US equities (continued)</b>			
4,095 Bank of New York Mellon Corp.	238	0.91	
805 Becton Dickinson & Co.	146	0.56	
2,257 Bright Horizons Family Solutions, Inc.	230	0.88	
2,100 CBRE Group, Inc.	213	0.82	
5,489 Cisco Systems, Inc.	235	0.90	
3,278 eBay, Inc.	148	0.57	
2,523 Enphase Energy, Inc.	161	0.62	
1,246 Illumina, Inc.	140	0.54	
11,017 Intel Corp.	190	0.73	
3,865 Johnson Controls International PLC	226	0.87	
3,376 Kellanova	209	0.80	
4,062 Lam Research Corp.	238	0.91	
441 Mastercard, Inc.	175	0.67	
882 Microsoft Corp.	285	1.09	
4,498 ON Semiconductor Corp.	256	0.98	
1,109 PNC Financial Services Group, Inc.	162	0.62	
1,665 Procter & Gamble Co.	213	0.82	
1,169 QUALCOMM, Inc.	151	0.58	
2,150 Quest Diagnostics, Inc.	258	0.99	
1,352 Republic Services, Inc.	207	0.79	
957 SolarEdge Technologies, Inc.	12	0.05	
454 Thermo Fisher Scientific, Inc.	192	0.74	
527 UnitedHealth Group, Inc.	229	0.88	
6,355 Verizon Communications, Inc.	202	0.78	
1,017 Visa, Inc.	227	0.87	
2,146 Xylem, Inc.	204	0.78	
<b>Canada</b>	<b>89</b>	<b>0.34</b>	<b>0.73</b>
<b>Canadian equities</b>	<b>89</b>	<b>0.34</b>	<b>0.73</b>
4,826 Boralex, Inc.	89	0.34	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>			
<b>Brazil</b>	<b>0</b>	<b>0.00</b>	<b>1.36</b>
<b>Brazilian equities</b>	<b>0</b>	<b>0.00</b>	<b>1.36</b>
<b>Japan</b>	<b>1,072</b>	<b>4.11</b>	<b>3.88</b>
<b>Japanese equities</b>	<b>1,072</b>	<b>4.11</b>	<b>3.88</b>
5,600 Dai-ichi Life Holdings, Inc.	109	0.42	
10,600 Hitachi Ltd.	206	0.79	
3,500 Horiba Ltd.	167	0.64	
20,700 Katitas Co. Ltd.	202	0.77	
15,900 Panasonic Holdings Corp.	98	0.38	
9,500 Sony Group Corp.	129	0.49	
7,500 Takeda Pharmaceutical Co. Ltd.	161	0.62	
<b>Australia</b>	<b>410</b>	<b>1.57</b>	<b>1.64</b>
<b>Australian equities</b>	<b>410</b>	<b>1.57</b>	<b>1.64</b>
21,809 Brambles Ltd.	202	0.77	
1,451 Cochlear Ltd.	208	0.80	
<b>Hong Kong</b>	<b>646</b>	<b>2.48</b>	<b>2.54</b>
<b>Hong Kong equities</b>	<b>646</b>	<b>2.48</b>	<b>2.54</b>
52,200 AIA Group Ltd.	318	1.22	
170,000 Lenovo Group Ltd.	173	0.66	
99,200 Swire Properties Ltd.	155	0.60	
<b>India</b>	<b>222</b>	<b>0.85</b>	<b>0.81</b>
<b>Indian equities</b>	<b>222</b>	<b>0.85</b>	<b>0.81</b>
4,496 HDFC Bank Ltd. ADR	222	0.85	
<b>Indonesia</b>	<b>205</b>	<b>0.79</b>	<b>0.00</b>
<b>Indonesian equities</b>	<b>205</b>	<b>0.79</b>	<b>0.00</b>
871,100 Bank Rakyat Indonesia Persero Tbk. PT	205	0.79	
<b>South Korea</b>	<b>167</b>	<b>0.64</b>	<b>0.71</b>
<b>South Korean equities</b>	<b>167</b>	<b>0.64</b>	<b>0.71</b>
5,056 Samsung Electronics Co. Ltd.	167	0.64	
<b>Taiwan</b>	<b>865</b>	<b>3.32</b>	<b>3.12</b>
<b>Taiwanese equities</b>	<b>865</b>	<b>3.32</b>	<b>3.12</b>
58,000 ASE Technology Holding Co. Ltd.	219	0.84	

# Portfolio statement

## Investments (continued)

Holding		as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Equities (continued)</b>				
<b>Taiwan (continued)</b>				
<b>Taiwanese equities (continued)</b>				
115,672	Cathay Financial Holding Co. Ltd.	191	0.73	
276,816	E.Sun Financial Holding Co. Ltd.	182	0.70	
11,000	Taiwan Semiconductor Manufacturing Co. Ltd.	273	1.05	
<b>South Africa</b>		<b>0</b>	<b>0.00</b>	<b>0.97</b>
<b>South African equities</b>		<b>0</b>	<b>0.00</b>	<b>0.97</b>
<b>Fixed income</b>		<b>7,020</b>	<b>26.94</b>	<b>32.41</b>
<b>United Kingdom</b>		<b>3,559</b>	<b>13.66</b>	<b>19.16</b>
<b>Government bonds</b>		<b>3,308</b>	<b>12.70</b>	<b>18.44</b>
£829,000	U.K. Gilts 0.875% 31/07/2033	622	2.39	
£840,000	U.K. Gilts 1.5% 31/07/2053	409	1.57	
£300,000	U.K. Treasury Bills 0% 11/11/2024	299	1.15	
£1,010,000	U.K. Treasury Bills 0% 02/12/2024	1,006	3.86	
£329,000	U.K. Treasury Bills 0% 09/12/2024	327	1.25	
£105,000	U.K. Treasury Bills 0% 16/12/2024	104	0.40	
£550,000	U.K. Treasury Bills 0% 10/03/2025	541	2.08	
<b>Investment grade corporate bonds</b>		<b>251</b>	<b>0.96</b>	<b>0.72</b>
IDR2,270,000,000	European Bank for Reconstruction & Development 4.25% 07/02/2028	105	0.40	
IDR3,510,000	European Bank for Reconstruction & Development 28% 27/09/2027	65	0.25	
€100,000	Vodafone Group PLC 0.9% 24/11/2026	81	0.31	
<b>Belgium</b>		<b>81</b>	<b>0.31</b>	<b>0.35</b>
<b>Investment grade corporate bonds</b>		<b>81</b>	<b>0.31</b>	<b>0.35</b>
€100,000	KBC Group NV Var 0.25% 01/03/2027	81	0.31	
<b>France</b>		<b>206</b>	<b>0.79</b>	<b>1.11</b>
<b>Investment grade corporate bonds</b>		<b>206</b>	<b>0.79</b>	<b>0.93</b>
US\$59,000	Electricite de France SA 3.625% 13/10/2025	45	0.17	
€100,000	Societe Generale SA Var 0.875% 22/09/2028	78	0.30	
€100,000	Unibail-Rodamco-Westfield SE 3.5% 11/09/2029	83	0.32	
<b>Below investment grade corporate bonds</b>		<b>0</b>	<b>0.00</b>	<b>0.18</b>

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>			
<b>Germany</b>	<b>709</b>	<b>2.72</b>	<b>0.98</b>
<b>Government bonds</b>	<b>658</b>	<b>2.52</b>	<b>0.50</b>
€309,000 Bundesrepublik Deutschland Bundesanleihe 0% 15/08/2030	228	0.87	
€314,000 Bundesrepublik Deutschland Bundesanleihe 1.8% 15/08/2053	219	0.84	
€252,800 Bundesrepublik Deutschland Bundesanleihe 2.3% 15/02/2033	211	0.81	
<b>Investment grade corporate bonds</b>	<b>51</b>	<b>0.20</b>	<b>0.15</b>
€75,000 Mercedes-Benz Group AG 0.75% 11/03/2033	51	0.20	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.33</b>
<b>Italy</b>	<b>0</b>	<b>0.00</b>	<b>0.24</b>
<b>Government bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.24</b>
<b>Luxembourg</b>	<b>525</b>	<b>2.02</b>	<b>1.84</b>
<b>Investment grade corporate bonds</b>	<b>525</b>	<b>2.02</b>	<b>1.84</b>
ZAR7,010,000 European Investment Bank 0% 18/10/2032	151	0.58	
US\$506,000 European Investment Bank 3.75% 14/02/2033	374	1.44	
<b>Netherlands</b>	<b>159</b>	<b>0.61</b>	<b>0.35</b>
<b>Investment grade corporate bonds</b>	<b>159</b>	<b>0.61</b>	<b>0.35</b>
€100,000 EDP Finance BV 1.875% 21/09/2029	79	0.30	
€100,000 ING Groep NV 2.5% 15/11/2030	80	0.31	
<b>Portugal</b>	<b>0</b>	<b>0.00</b>	<b>0.36</b>
<b>Investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.36</b>
<b>Sweden</b>	<b>80</b>	<b>0.31</b>	<b>0.72</b>
<b>Investment grade corporate bonds</b>	<b>80</b>	<b>0.31</b>	<b>0.35</b>
€100,000 Swedbank AB Var 0.3% 20/05/2027	80	0.31	
<b>Below investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.37</b>
<b>United States</b>	<b>1,121</b>	<b>4.30</b>	<b>6.44</b>
<b>Investment grade corporate bonds</b>	<b>1,121</b>	<b>4.30</b>	<b>5.97</b>
US\$71,000 Apple, Inc. 3% 20/06/2027	53	0.20	
US\$150,000 Boston Properties LP 2.55% 01/04/2032	94	0.36	
US\$65,000 HCA, Inc. 5.45% 01/04/2031	51	0.20	
US\$301,000 Inter-American Development Bank 4.375% 24/01/2044	219	0.84	

# Portfolio statement

## Investments (continued)

Holding		as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Fixed income (continued)</b>				
<b>United States (continued)</b>				
<b>Investment grade corporate bonds (continued)</b>				
IDR1,880,000,000	Inter-American Development Bank 5.1% 17/11/2026	90	0.35	
MXN4,930,000	International Bank for Reconstruction & Development 4.25% 22/01/2026	177	0.68	
BRL1,490,000	International Bank for Reconstruction & Development 5% 22/01/2026	186	0.71	
INR11,500,000	International Bank for Reconstruction & Development 6.85% 24/04/2028	105	0.40	
US\$73,000	Prologis LP 1.25% 15/10/2030	46	0.18	
US\$150,000	Xylem, Inc. 2.25% 30/01/2031	100	0.38	
<b>Below investment grade corporate bonds</b>		<b>0</b>	<b>0.00</b>	<b>0.47</b>
<b>Chile</b>		<b>118</b>	<b>0.45</b>	<b>1.13</b>
<b>Government bonds</b>		<b>118</b>	<b>0.45</b>	<b>1.13</b>
€200,000	Chile Government International Bonds 1.25% 29/01/2040	118	0.45	
<b>Colombia</b>		<b>87</b>	<b>0.33</b>	<b>0.41</b>
<b>Government bonds</b>		<b>87</b>	<b>0.33</b>	<b>0.41</b>
COP588,800,000	Colombia TES 7% 26/03/2031	87	0.33	
<b>Mexico</b>		<b>183</b>	<b>0.70</b>	<b>0.00</b>
<b>Government bonds</b>		<b>183</b>	<b>0.70</b>	<b>0.00</b>
MXN5,500,000	Mexico Bonos 8% 24/05/2035	183	0.70	
<b>Australia</b>		<b>240</b>	<b>0.92</b>	<b>0.00</b>
<b>Government bonds</b>		<b>240</b>	<b>0.92</b>	<b>0.00</b>
AU\$483,000	Australia Government Bonds 4.25% 21/06/2034	240	0.92	
<b>Debt derivatives</b>		<b>(48)</b>	<b>(0.18)</b>	<b>(0.68)</b>
<b>Interest rate futures</b>		<b>(48)</b>	<b>(0.18)</b>	<b>(0.68)</b>
7	CBOT Ultra Long-Term U.S. Treasury Bond Futures Dec 2024	(48)	(0.18)	
<b>Fixed income portfolios</b>		<b>412</b>	<b>1.58</b>	<b>0.00</b>
<b>Other</b>		<b>412</b>	<b>1.58</b>	<b>0.00</b>
30,097	iShares EUR Corp. Bond 0-3yr ESG UCITS ETF	126	0.48	
40,119	iShares EUR Corp. Bond ESG UCITS ETF	160	0.62	
32,219	iShares USD Corp. Bond 0-3yr ESG UCITS ETF	126	0.48	

# Portfolio statement

## Investments (continued)

Holding	as at 31.10.24 £'000	as at 31.10.24 %	as at 31.10.23 %
<b>Currency</b>	<b>(29)</b>	<b>(0.11)</b>	<b>0.07</b>
<b>Forward currency contracts</b>	<b>(29)</b>	<b>(0.11)</b>	<b>0.07</b>
US\$226,331 Bought for KRW305,560,989 (expires 15.11.24)	4	0.02	
AU\$(1,351,022) Sold for £684,528 (expires 18.11.24)	0	0.00	
CA\$(282,265) Sold for £156,746 (expires 18.11.24)	0	0.00	
DKK(6,835,812) Sold for £764,917 (expires 18.11.24)	(3)	(0.01)	
€(6,048,536) Sold for £5,046,965 (expires 18.11.24)	(21)	(0.08)	
HK\$(6,758,866) Sold for £670,052 (expires 18.11.24)	0	0.00	
US\$(6,225,862) Sold for £4,795,184 (expires 18.11.24)	(2)	(0.01)	
US\$1,193,578 Bought for TWD38,361,890 (expires 15.11.24)	(7)	(0.03)	
<b>Total portfolio</b>	<b>24,859</b>	<b>95.39</b>	<b>94.62</b>
<b>Net other assets/(liabilities)</b>	<b>1,202</b>	<b>4.61</b>	<b>5.38</b>
<b>Net assets attributable to shareholders</b>	<b>26,061</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> Suspended/delisted.

<sup>b</sup> AIM quoted.



# Portfolio statement

## Top ten portfolio transactions for the year to 31 October 2024

Largest purchases	£'000
U.K. Treasury Bills 0% 02/12/2024	989
U.K. Treasury Bills 0% 28/05/2024	875
U.K. Treasury Bills 0% 11/11/2024	825
U.K. Treasury Bills 0% 10/06/2024	797
U.K. Treasury Bills 0% 17/06/2024	775
U.K. Treasury Bills 0% 10/03/2025	538
U.K. Treasury Bills 0% 12/08/2024	518
European Investment Bank 3.75% 14/02/2033	383
U.K. Treasury Bills 0% 30/09/2024	346
EDP Renovaveis SA	339
Other purchases	9,391
<b>Total purchases</b>	<b>15,776</b>

Largest sales	£'000
U.K. Treasury Bills 0% 19/02/2024	1,055
U.K. Treasury Bills 0% 28/05/2024	890
U.K. Treasury Bills 0% 04/12/2023	816
U.K. Treasury Bills 0% 10/06/2024	809
U.K. Treasury Bills 0% 17/06/2024	791
U.K. Treasury Bills 0% 15/01/2024	764
U.K. Treasury Bills 0% 11/11/2024	542
U.K. Treasury Bills 0% 22/01/2024	534
U.K. Treasury Bills 0% 12/08/2024	527
U.K. Treasury Bills 0% 30/09/2024	355
Other sales	7,956
<b>Total sales</b>	<b>15,039</b>

# 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](http://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.

On 17 September 2024, the Sterling Class 'L' Accumulation shares were merged into the equivalent Sterling Class 'PP' Accumulation shares.

Share class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+16.4	+0.8	n/a	n/a
Class 'A' Accumulation	+16.4	+0.8	n/a	n/a
Class 'I' Income	+16.8	+1.1	n/a	n/a
Class 'I' Accumulation	+16.8	+1.1	n/a	n/a
Class 'L' Accumulation	+18.5	+1.8	n/a	n/a
Class 'PP' Income	+16.9	+1.2	n/a	n/a
Class 'PP' Accumulation	+16.9	+1.2	n/a	n/a
Class 'R' Income	+16.6	+0.9	n/a	n/a
Class 'R' Accumulation	+16.6	+0.9	n/a	n/a
<b>Benchmark</b>	<b>+16.1</b>	<b>+2.0</b>	<b>n/a</b>	<b>n/a</b>

<sup>a</sup> 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 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	91.72	93.10	110.74
Return before operating charges*	16.70	2.79	(13.82)
Operating charges	(1.07)	(1.11)	(1.19)
Return after operating charges*	15.63	1.68	(15.01)
Distributions	(3.19)	(3.06)	(2.63)
Closing NAV	104.16	91.72	93.10
*after direct transaction cost of	0.06	0.03	0.02
<b>Performance</b>			
Return after charges (%)	17.04	1.80	(13.55)
<b>Other information</b>			
Closing NAV (£'000)	620	550	530
Number of shares	595,541	599,094	569,528
Operating charges (%)	1.05	1.13	1.15
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	107.28	102.72	114.02
Lowest share price (UK p)	92.15	92.28	90.20

## Sterling Class 'A' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	98.74	97.17	112.69
Return before operating charges*	18.10	2.74	(14.33)
Operating charges	(1.17)	(1.17)	(1.19)
Return after operating charges*	16.93	1.57	(15.52)
Distributions	(2.30)	(2.14)	(1.65)
Retained distributions	2.30	2.14	1.65
Closing NAV	115.67	98.74	97.17
*after direct transaction cost of	0.07	0.03	0.02
<b>Performance</b>			
Return after charges (%)	17.15	1.62	(13.77)
<b>Other information</b>			
Closing NAV (£'000)	669	615	451
Number of shares	578,419	623,205	464,521
Operating charges (%)	1.05	1.13	1.15
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	118.31	108.59	116.03
Lowest share price (UK p)	99.20	96.88	93.53

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	92.66	93.69	111.13
Return before operating charges*	16.81	2.69	(14.04)
Operating charges	(0.67)	(0.72)	(0.77)
Return after operating charges*	16.14	1.97	(14.81)
Distributions	(3.14)	(3.00)	(2.63)
Closing NAV	105.66	92.66	93.69
*after direct transaction cost of	0.06	0.03	0.02
<b>Performance</b>			
Return after charges (%)	17.42	2.10	(13.33)
<b>Other information</b>			
Closing NAV (£'000)	128	84	47
Number of shares	121,623	90,376	50,058
Operating charges (%)	0.65	0.73	0.75
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	108.77	103.64	114.45
Lowest share price (UK p)	93.10	93.20	90.73

## Sterling Class 'I' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	99.74	97.85	113.10
Return before operating charges*	18.21	2.65	(14.46)
Operating charges	(0.73)	(0.76)	(0.79)
Return after operating charges*	17.48	1.89	(15.25)
Distributions	(2.69)	(2.49)	(2.03)
Retained distributions	2.69	2.49	2.03
Closing NAV	117.22	99.74	97.85
*after direct transaction cost of	0.07	0.03	0.02
<b>Performance</b>			
Return after charges (%)	17.53	1.93	(13.48)
<b>Other information</b>			
Closing NAV (£'000)	2,499	1,878	1,611
Number of shares	2,131,533	1,882,950	1,645,968
Operating charges (%)	0.65	0.73	0.75
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	119.86	109.60	116.46
Lowest share price (UK p)	100.21	97.56	94.17

# Financial highlights

## Sterling Class 'L' Accumulation shares

The share class was launched on 8 December 2020.

The class was merged into Sterling Class 'PP'

Accumulation on 17 September 2024.

for the year to 31 October	2024	2023	2022
Change in NAV per share	UK p	UK p	UK p
Opening NAV	100.22	98.16	113.29
Return before operating charges*	19.82	2.62	(14.54)
Operating charges	(0.45)	(0.56)	(0.59)
Return after operating charges*	19.37	2.06	(15.13)
Distributions	(2.25)	(2.67)	(2.20)
Retained distributions	2.25	2.67	2.20
NAV of in specie transfer	(119.59)	n/a	n/a
Closing NAV	0.00	100.22	98.16
*after direct transaction cost of	0.06	0.03	0.02
<b>Performance</b>			
Return after charges (%)	19.33	2.10	(13.36)
<b>Other information</b>			
Closing NAV (£'000)	0	14,045	13,756
Number of shares	0	14,014,040	14,014,040
Operating charges (%)	0.45	0.53	0.55
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	119.59	110.08	116.68
Lowest share price (UK p)	100.69	97.87	94.47

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	92.91	93.84	111.23
Return before operating charges*	16.84	2.68	(14.08)
Operating charges	(0.57)	(0.63)	(0.68)
Return after operating charges*	16.27	2.05	(14.76)
Distributions	(3.14)	(2.98)	(2.63)
Closing NAV	106.04	92.91	93.84
*after direct transaction cost of	0.06	0.03	0.02
<b>Performance</b>			
Return after charges (%)	17.51	2.18	(13.27)
<b>Other information</b>			
Closing NAV (£'000)	20	22	22
Number of shares	19,312	23,614	23,614
Operating charges (%)	0.55	0.63	0.65
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	109.15	103.88	114.55
Lowest share price (UK p)	93.34	93.44	90.89

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	99.98	98.00	113.20
Return before operating charges*	18.24	2.64	(14.52)
Operating charges	(0.63)	(0.66)	(0.68)
Return after operating charges*	17.61	1.98	(15.20)
Distributions	(2.79)	(2.58)	(2.09)
Retained distributions	2.79	2.58	2.09
Closing NAV	117.59	99.98	98.00
*after direct transaction cost of	0.07	0.03	0.02
<b>Performance</b>			
Return after charges (%)	17.61	2.02	(13.43)
<b>Other information</b>			
Closing NAV (£'000)	21,153	4,338	3,270
Number of shares	17,989,144	4,338,966	3,337,213
Operating charges (%)	0.55	0.63	0.65
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	120.23	109.84	116.57
Lowest share price (UK p)	100.45	97.71	94.31

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	92.06	93.31	110.88
Return before operating charges*	16.74	2.74	(13.92)
Operating charges	(0.92)	(0.96)	(1.03)
Return after operating charges*	15.82	1.78	(14.95)
Distributions	(3.17)	(3.03)	(2.62)
Closing NAV	104.71	92.06	93.31
*after direct transaction cost of	0.06	0.03	0.02
<b>Performance</b>			
Return after charges (%)	17.18	1.91	(13.48)
<b>Other information</b>			
Closing NAV (£'000)	104	131	124
Number of shares	99,035	142,346	132,377
Operating charges (%)	0.90	0.98	1.00
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	107.82	103.05	114.18
Lowest share price (UK p)	92.49	92.61	90.39

## Sterling Class 'R' Accumulation shares

The share class was launched on 8 December 2020.

for the year to 31 October Change in NAV per share	2024 UK p	2023 UK p	2022 UK p
Opening NAV	99.14	97.45	112.84
Return before operating charges*	18.15	2.71	(14.33)
Operating charges	(1.01)	(1.02)	(1.06)
Return after operating charges*	17.14	1.69	(15.39)
Distributions	(2.45)	(2.27)	(1.83)
Retained distributions	2.45	2.27	1.83
Closing NAV	116.28	99.14	97.45
*after direct transaction cost of	0.07	0.03	0.02
<b>Performance</b>			
Return after charges (%)	17.29	1.73	(13.64)
<b>Other information</b>			
Closing NAV (£'000)	868	902	839
Number of shares	746,593	910,178	861,210
Operating charges (%)	0.90	0.98	1.00
Direct transaction costs (%)	0.05	0.03	0.00
<b>Prices</b>			
Highest share price (UK p)	118.93	109.00	116.19
Lowest share price (UK p)	99.61	97.16	93.80

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 October	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	3		3,342		(234)
Revenue	5	864		771	
Expenses	6	(139)		(122)	
Interest payable and similar charges		(1)		(1)	
Net revenue/(expense) before taxation		724		648	
Taxation	7	(96)		(81)	
Net revenue/(expense) after taxation			628		567
<b>Total return before distributions</b>			<b>3,970</b>		<b>333</b>
Distributions	8		(637)		(576)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>3,333</b>		<b>(243)</b>

### Statement of change in net assets attributable to shareholders

for the year to 31 October	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>22,565</b>		<b>20,650</b>
Amounts received on issue of shares	18,129		2,169	
Amounts paid on cancellation of shares	(18,571)		(572)	
		(442)		1,597
Dilution adjustments		1		3
Change in net assets attributable to shareholders from investment activities (see above)		3,333		(243)
Retained distributions on Accumulation shares		604		558
<b>Closing net assets attributable to shareholders</b>		<b>26,061</b>		<b>22,565</b>



# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 October	Note	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		0	21,524
<b>Current assets</b>			
Investments		24,940	0
Debtors	9	167	79
Cash and bank balances	10	1,169	1,178
<b>Total assets</b>		<b>26,276</b>	<b>22,781</b>
<b>Liabilities</b>			
Investment liabilities		(81)	(172)
<b>Creditors</b>			
Distribution payable		(6)	(6)
Other creditors	11	(128)	(38)
<b>Total liabilities</b>		<b>(215)</b>	<b>(216)</b>
<b>Net assets attributable to shareholders</b>		<b>26,061</b>	<b>22,565</b>

# 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 13.

### 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	2024 £'000	2023 £'000
Non-derivative securities	2,470	(383)
Derivative contracts	902	125
Currency gains/(losses)	(30)	24
<b>Net capital gains/(losses)</b>	<b>3,342</b>	<b>(234)</b>

Includes realised gains of £1,350,000 and unrealised gains of £1,992,000 (2023: realised gains of £208,000 and unrealised losses of £442,000). 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	2024 £'000	% of transaction	2023 £'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	5,737		4,125	
Commissions	2	0.03	1	0.03
Taxes	9	0.16	3	0.07
<b>Equities after transaction costs</b>	<b>5,748</b>		<b>4,129</b>	
<b>Debt securities</b>	<b>9,513</b>		<b>11,045</b>	
<b>Collective investment schemes</b>				
Collective investment schemes before transaction costs	515		267	
Taxes	0	0.00	1	0.21
<b>Collective investment schemes after transaction costs</b>	<b>515</b>		<b>268</b>	
<b>Total purchases after transaction costs</b>	<b>15,776</b>		<b>15,442</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	4,949		4,407	
Commissions	(2)	0.04	(2)	0.04
Taxes	(2)	0.03	(1)	0.02
<b>Equities after transaction costs</b>	<b>4,945</b>		<b>4,404</b>	
<b>Debt securities</b>	<b>10,043</b>		<b>8,691</b>	
<b>Collective investment schemes</b>	<b>51</b>		<b>0</b>	
<b>Total sales after transaction costs</b>	<b>15,039</b>		<b>13,095</b>	
	2024 £'000	% of average NAV	2023 £'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	4	0.01	3	0.01
<b>Taxes paid</b>				
Equities	11	0.04	4	0.02
Collective investment schemes	0	0.00	1	0.00
<b>Total taxes paid</b>	<b>11</b>	<b>0.04</b>	<b>5</b>	<b>0.02</b>
<b>Total direct portfolio transaction costs</b>	<b>15</b>	<b>0.05</b>	<b>8</b>	<b>0.03</b>

# Financial statements and notes

	%	%
<b>d) Indirect portfolio transaction costs</b>		
Average portfolio dealing spread as at the balance sheet date	0.16	0.16

## 5 Revenue

for the year to 31 October	2024 £'000	2023 £'000
Bank interest	6	6
Derivative revenue	1	2
Distributions from collective investment schemes: non-taxable	11	0
Distributions from collective investment schemes: taxable	20	0
Dividends from equity investments: non-taxable	435	474
Dividends from equity investments: taxable	5	2
Interest on debt securities	372	274
Property distribution: non-taxable	2	3
Property distribution: taxable	12	10
<b>Total revenue</b>	<b>864</b>	<b>771</b>

## 6 Expenses

for the year to 31 October	2024 £'000	2023 £'000
<b>Payable to the ACD or associate</b>		
Annual charge	139	122
<b>Total expenses</b>	<b>139</b>	<b>122</b>

Audit fees for the financial year ending 2024 were £13,000 (2023: £12,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 October	2024 £'000	2023 £'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	55	35
Withholding tax	43	47
Double taxation relief	(2)	(2)
Capital gains tax (US)	0	1
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>96</b>	<b>81</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	724	648
Corporation tax at 20%	145	130
<b>Effects of:</b>		
Revenue: non-taxable	(90)	(95)
Double taxation relief	(2)	(2)
Withholding tax	43	47
Capital gains tax (US)	0	1
<b>Total tax charge (note 7a)</b>	<b>96</b>	<b>81</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
<b>Provision at the end of the year</b>	<b>0</b>	<b>0</b>

The fund has not recognised a deferred tax asset in the current financial year (2023: 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	2024		2023	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
<b>Ordinary distributions</b>				
First interim	6	129	4	82
Second interim	6	141	6	137
Third interim	8	204	9	203
Final	6	130	6	136
<b>Total net distributions</b>		<b>630</b>		<b>583</b>
Income deducted on cancellation of shares		66		1
Income received on issue of shares		(59)		(8)
<b>Distributions</b>		<b>637</b>		<b>576</b>
Net revenue/(expense) per statement of total return		628		567
Expenses offset against capital		9		9
<b>Distributions</b>		<b>637</b>		<b>576</b>

## 9 Debtors

as at 31 October	2024 £'000	2023 £'000
Currency deals outstanding	66	0
Debt security interest receivable	65	50
Dividends receivable	19	17
Withholding tax recoverable	17	12
<b>Total debtors</b>	<b>167</b>	<b>79</b>

## 10 Cash and bank balances

as at 31 October	2024 £'000	2023 £'000
Amounts held at futures clearing houses and collateral manager	78	229
Cash held as bank balances	1,091	949
<b>Total cash and bank balances</b>	<b>1,169</b>	<b>1,178</b>

# Financial statements and notes

## 11 Other creditors

as at 31 October	2024 £'000	2023 £'000
Amounts payable on cancellation of shares	2	0
Annual charge payable	7	5
Corporation tax payable	53	33
Currency deals outstanding	66	0
<b>Total other creditors</b>	<b>128</b>	<b>38</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2023: 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 01.11.23	Movements			Closing 31.10.24
		Issued	Cancelled	Converted	
<b>Sterling</b>					
Class 'A' Income	599,094	29,410	(32,963)	0	595,541
Class 'A' Accumulation	623,205	10,873	(55,659)	0	578,419
Class 'I' Income	90,376	43,537	(12,290)	0	121,623
Class 'I' Accumulation	1,882,950	743,378	(494,795)	0	2,131,533
Class 'L' Accumulation	14,014,040	0	(14,040)	(14,000,000)	0
Class 'PP' Income	23,614	0	(4,302)	0	19,312
Class 'PP' Accumulation	4,338,966	344,347	(737,618)	14,043,449	17,989,144
Class 'R' Income	142,346	558	(43,869)	0	99,035
Class 'R' Accumulation	910,178	96,804	(260,389)	0	746,593

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 %
<b>Sterling</b>	
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 period 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.

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 63.22% (2023: 61.88%) 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 2024 £'000	Liabilities 2024 £'000	Assets 2023 £'000	Liabilities 2023 £'000
Level 1	21,778	(48)	18,295	(152)
Level 2	3,106	(33)	3,173	(20)
Level 3	56	0	56	0
	<b>24,940</b>	<b>(81)</b>	<b>21,524</b>	<b>(172)</b>

Level 3 assets comprise solely of Home REIT (2023: Home REIT) 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 13 to 15.

## 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 2024 was 20% (2023: 20%).

The lowest, highest and average utilisation of VaR with reference to the limit above, are calculated during the financial years ended 31 October 2024 and 31 October 2023.

for the year to 31 October	2024 Utilisation of VaR 20%	2023 Utilisation of VaR 20%
Lowest	27.40	27.65
Highest	31.75	39.20
Average	29.20	32.95

## 19 Credit risk

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

as at 31 October	2024 £'000	2023 £'000
Investment grade securities	7,068	7,069
Below investment grade securities	0	397
Other investments	17,791	13,886
<b>Total</b>	<b>24,859</b>	<b>21,352</b>

# Financial statements and notes

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 2024	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(48)
Barclays Bank	(9)	0
Citigroup	3	0
HSBC	(3)	0
National Australia Bank	1	0
UBS	(21)	0
<b>Total</b>	<b>(29)</b>	<b>(48)</b>

as at 31 October 2023	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	(152)
Citigroup	1	0
JPMorgan	(1)	0
State Street Bank	(18)	0
UBS	33	0
<b>Total</b>	<b>15</b>	<b>(152)</b>

## 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 2024 and 31 October 2023 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	2024 £'000	2024 %	2023 £'000	2023 %
Lowest	32,812	144.00	32,694	144.00
Highest	87,721	315.00	66,591	292.00
Average	43,579	170.38	38,859	169.68

# Financial statements and notes

## 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	01.11.23	31.01.24	01.02.24	31.03.24
Second interim	01.02.24	30.04.24	01.05.24	30.06.24
Third interim	01.05.24	31.07.24	01.08.24	30.09.24
Final	01.08.24	31.10.24	01.11.24	31.12.24

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	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
First interim	0.2527	0.4487	0.7014	0.5199
Second interim	0.3350	0.4092	0.7442	0.7684
Third interim	0.3512	0.6705	1.0217	1.0354
Final	0.4249	0.2958	0.7207	0.7319

### Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2024 UK p	2024 UK p	2024 UK p	2023 UK p
First interim	0.0213	0.4522	0.4735	0.2850
Second interim	0.4629	0.0599	0.5228	0.5367
Third interim	0.6730	0.1452	0.8182	0.8088
Final	0.1845	0.3034	0.4879	0.5092

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## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4077	0.2812	0.6889	0.5137
Second interim	0.4208	0.3121	0.7329	0.7447
Third interim	0.1886	0.8251	1.0137	1.0222
Final	0.4484	0.2607	0.7091	0.7188

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.2215	0.3438	0.5653	0.3685
Second interim	0.3063	0.3100	0.6163	0.6215
Third interim	0.3828	0.5370	0.9198	0.9033
Final	0.2149	0.3739	0.5888	0.5982

## Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.6116	0.0000	0.6116	0.4112
Second interim	0.6636	0.0000	0.6636	0.6648
Third interim	0.9714	0.0000	0.9714	0.9501
Final	n/a	n/a	n/a	0.6432

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.6873	0.0000	0.6873	0.5076
Second interim	0.7311	0.0000	0.7311	0.7412
Third interim	0.1416	0.8711	1.0127	1.0192
Final	0.7092	0.0000	0.7092	0.7166

# Financial statements and notes

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.1912	0.3971	0.5883	0.3901
Second interim	0.2348	0.4051	0.6399	0.6428
Third interim	0.5075	0.4383	0.9458	0.9269
Final	0.3387	0.2755	0.6142	0.6208

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4026	0.2936	0.6962	0.5213
Second interim	0.2131	0.5274	0.7405	0.7572
Third interim	0.1348	0.8844	1.0192	1.0296
Final	0.3533	0.3632	0.7165	0.7268

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 October	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.1179	0.3901	0.5080	0.3164
Second interim	0.2717	0.2861	0.5578	0.5693
Third interim	0.3342	0.5225	0.8567	0.8435
Final	0.1605	0.3651	0.5256	0.5425

## 22 Events after the balance sheet date

With effect 22 November 2024 the M&G Sustainable Multi Asset Growth Fund merged into the M&G Episode Growth Fund.

# 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 2024 the total amount of leverage is as follows:

#### Gross method:

M&G Episode Allocation Fund 130%  
M&G Episode Growth Fund 126%  
M&G Managed Growth Fund 114%  
M&G Sustainable Multi Asset Fund 150%  
M&G Sustainable Multi Asset Balanced Fund 141%  
M&G Sustainable Multi Asset Cautious Fund 135%  
M&G Sustainable Multi Asset Growth Fund 151%

#### Commitment method:

M&G Episode Allocation Fund 128%  
M&G Episode Growth Fund 136%  
M&G Managed Growth Fund 110%  
M&G Sustainable Multi Asset Fund 109%  
M&G Sustainable Multi Asset Balanced Fund 110%  
M&G Sustainable Multi Asset Cautious Fund 111%  
M&G Sustainable Multi Asset Growth Fund 108%

## 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 2024.

## 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](https://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 '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

# Other regulatory disclosures

manages (including M&G Investment Funds (4)) and generally includes senior management, risk takers and control functions. 'Identified Staff' typically provide both AIFMD 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 2023 to 31 December 2023.

	Fixed Remuneration £'000	Variable Remuneration £'000	Total £'000	Beneficiaries
Senior Management	522	1,466	1,988	11
Other Identified Staff	2,410	7,681	10,091	25

