

# M&G Investment Funds (7)

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

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# Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (7) presents its annual report and audited financial statements for the year ended 31 January 2025.

The audited financial statements of M&G Investment Funds (7), 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](https://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 (7) is an umbrella Open-Ended Investment Company (OEIC) and contains five sub-funds, hereinafter referred to as 'funds' in the rest of this report. Each fund is a UK UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA). This OEIC is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the FCA under the Financial Services and Markets Act 2000.

The Company was authorised on 29 June 2007. The M&G Global Convertibles Fund was launched on 13 July 2007, the M&G Global Emerging Markets Fund was launched on 5 February 2009, the M&G Global Floating Rate High Yield Fund was launched on 11 September 2014, the M&G Emerging Markets Monthly Income Fund was launched on 21 April 2020 and the M&G Global Corporate Bond Fund was launched on 19 January 2024.

On 11 May 2023, following approval from the FCA, investors were formally notified of the ACD's intention

to close M&G Emerging Markets Monthly Income Fund. The fund closed on 13 July 2023. 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 January 2025, none of the funds held shares of the other funds within this OEIC.

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

## Fund managers

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

### **M&G Emerging Markets Monthly Income Fund (closed)**

Michael Bourke and Charles De Quinsonas

### **M&G Global Convertibles Fund**

Léonard Vinville

### **M&G Global Corporate Bond Fund**

Ben Lord and Mario Eisenegger

### **M&G Global Emerging Markets Fund**

Michael Bourke

### **M&G Global Floating Rate High Yield Fund**

James Tomlins, Lu Yu and Stefan Isaacs

Please note that effective from 5 February 2024, Lu Yu and Stefan Isaacs were appointed as co-fund managers.

## ACD

M&G Securities Limited

10 Fenchurch Avenue, London EC3M 5AG, UK

Telephone: 0800 390 390 (UK only)

(Authorised and regulated by the Financial Conduct

# Authorised Corporate Director's Report

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

## Directors of the ACD

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

\* Appointed 13 January 2025.

\*\* Appointed 12 March 2025.

\*\*\* Resigned 13 January 2025.

## Investment manager

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

## Registrar

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

## Depositary

NatWest Trustee & Depositary 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 [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 11 May 2023, following approval from the FCA, investors were formally notified of the ACD's intention to close M&G Emerging Markets Monthly Income Fund. The fund closed on 13 July 2023. As at the date of publication of this report, no termination date has been set for the fund.

On 19 January 2024, the M&G Global Corporate Bond Fund was launched within M&G Investment Funds (7). The fund has adopted an extended first accounting period to 31 January 2025.

With effect from 5 February 2024, Lu Yu and Stefan Isaacs appointed as co-fund managers of the M&G Global Floating Rate High Yield Fund.

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.

# Authorised Corporate Director's Report

Please refer to the 'Investment review' sections 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 Emerging Markets Monthly Income 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  
11 April 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 (7) ('the Company') for the year ended 31 January 2025

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  
11 April 2025

NatWest Trustee and  
Depository Services Limited

# Independent Auditor's Report

## Independent Auditor's Report to the shareholders of M&G Investment Funds (7)

### Opinion

We have audited the financial statements of M&G Investment Funds (7) ("the Company") comprising each of its sub-funds for the year ended 31 January 2025, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, 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 January 2025, and of the net revenue/(expense) and the net capital gains/(losses) on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 for the M&G Emerging Markets Monthly Income Fund prepared on a basis other than going concern

We draw attention to note 2a to the financial statements which explains that the Authorised Corporate Director ("the ACD") has closed the M&G Emerging Markets Monthly Income 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 this sub-fund only, have been prepared on a basis other than going concern as described in note 2a. Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

The financial statements for the M&G Emerging Markets Monthly Income Fund have been prepared on a basis other than going concern as disclosed in note 2a.

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 remaining sub-funds' ability to continue as a going concern.



# Independent Auditor's Report

## Other information

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

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

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

We have nothing to report in this regard.

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

In our opinion:

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

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

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

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

## Responsibilities of the ACD

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

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

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

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

# 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  
11 April 2025

Ernst & Young LLP  
Statutory Auditor

# Financial statements and notes

The financial statements for M&G Investment Funds (7) comprise the individual financial statements for each of the presented funds and the notes below.

## Notes to the financial statements

### 1 Statement of compliance

The financial statements of M&G Investment Funds (7) 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 for all funds except M&G Emerging Markets Monthly Income Fund.

### 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 (except for the M&G Emerging Markets Monthly Income Fund). 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 (7) with the exception of M&G Emerging Markets Monthly Income 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.

The M&G Emerging Markets Monthly Income Fund closed on 13 July 2023. As a result, the financial statements of this fund have been prepared on a basis other than going concern. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the fund will be borne by the ACD.

On 19 January 2024, the M&G Global Corporate Bond Fund was launched as a fund of M&G Investment Funds (7). In accordance with the Collective Investment Schemes Sourcebook (COLL 6.8.2.R(4)), M&G Global Corporate Bond Fund has adopted an extended first accounting period ending 31 January 2025.

#### b. Functional and presentational currency

Where the functional and presentational currency of a fund is not US dollars this is disclosed in the Financial statements and notes' of that fund.

#### 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 January 2025 being the last business day of the accounting period.

#### d. Investments – recognition and valuation

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

At the end of the reporting period all investments have been measured at their fair value using the

# Financial statements and notes

prices and the portfolio holdings determined at 12 noon on 31 January 2025, being the last valuation point of the accounting period, as this is not materially different from a valuation carried out at close of business on the balance sheet date.

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

- Equities and debt securities which are traded on an active market are included at the quoted price, which is normally the bid price, excluding any accrued interest in respect of bonds.
  - 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 where relevant by any specific distribution policies set out in the notes to that fund's financial



# Financial statements and notes

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 may be calculated using a 'commitment' approach or 'Value at Risk' (VaR) approach.

### b. Commitment approach

The commitment approach is applied for funds investing only in traditional asset classes, namely equities, fixed income, money market instruments and collective investment schemes.

In addition, the approach is applied for funds which use or intend to use derivatives or instruments embedding derivatives, but only for efficient portfolio management purposes, or in a simple way not necessarily restricted to efficient portfolio management.

Under the commitment approach the global exposure of funds is measured and monitored using a commitment (adjusted notional) methodology.

Market risk is considered on a daily basis and forms the foundation of investment oversight analysis. This can include for each fund (but is not limited to) the analysis of factors such as fund concentration; style, geographical, industry and market capitalisation biases; active, systematic and specific risk measurements; active money; and beta characteristics.

### c. 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.

# Financial statements and notes

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

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

The table below shows funds using the 'commitment' approach and those using the 'Value at Risk (VaR)' approach:

Fund	Global exposure approach
M&G Emerging Markets Monthly Income Fund (closed)	n/a
M&G Global Convertibles Fund	Relative VaR*
M&G Global Corporate Bond Fund	Relative VaR
M&G Global Emerging Markets Fund	Commitment
M&G Global Floating Rate High Yield Fund	Relative VaR*

\* With effect 6 March 2023 the fund changed from an Absolute to a Relative VaR approach.

#### d. 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.

#### e. 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



# Financial statements and notes

securities within the funds will fall in the event of the default or perceived increased credit risk of an issuer.

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

Funds investing in derivatives are exposed to counterparty risk. This is the risk that the other party to the transaction fails to fulfil their obligations, either by failing to pay or failing to deliver securities. To minimise this risk, carefully selected, financially strong and well-established counterparties are selected following a thorough due diligence review and collateral is posted daily (in the form of cash or high-quality government bonds). Derivative positions are valued on a mark-to-market basis (revalued to reflect prevailing market prices) daily and collateral moves from one counterparty to the other to reflect movements in the unrealised profit or loss. As a result, the maximum loss to the fund would be limited to that day's price movements in affected derivatives contracts.

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

# Authorised Corporate Director's Report

The M&G Emerging Markets Monthly Income Fund closed on 13 July 2023. As at the date of publication of this report, no termination date has been set for the fund. The investment objective, investment policy, investment approach, benchmark, risk profile and investment review have not been disclosed.

# Portfolio statement

## Investments

Holding	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Russia</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Russia equities</b>	<b>0</b>	<b>0.00</b>	
8,022 LUKOIL PJSC <sup>a</sup>	0	0.00	
146,908 Sberbank of Russia PJSC <sup>a</sup>	0	0.00	
<b>Total portfolio</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Net other assets/(liabilities)</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Net assets attributable to shareholders</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

<sup>a</sup> M&G's Valuation Sub Committee are valuing these securities at £nil until further notice.

# Portfolio statement

Top portfolio transactions for the year to 31 January 2025

Purchases	\$'000
<b>Total purchases</b>	<b>0</b>

Sales	\$'000
X5 Retail Group NV GDR	237
<b>Total sales</b>	<b>237</b>

## Financial highlights

The M&G Emerging Markets Monthly Income Fund closed on 13 July 2023. As at the date of publication of this report, no termination date has been set for the fund. The fund performance, long-term performance by share class and comparative tables have not been disclosed.

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 January	Note	2025		2024	
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Net capital gains/(losses)	2		229		(587)
Revenue	4	(4)		985	
Expenses	5	0		(56)	
Interest payable and similar charges		(1)		0	
Net revenue/(expense) before taxation		(5)		929	
Taxation	6	0		(130)	
Net revenue/(expense) after taxation			(5)		799
<b>Total return before equalisation/distributions</b>			<b>224</b>		<b>212</b>
Equalisation/Distributions	7		0		(765)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>224</b>		<b>(553)</b>

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

for the year to 31 January	2025		2024	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>0</b>		<b>28,647</b>
Amounts received on issue of shares	0		700	
Amount due to investors	(237)		0	
Movement in the amount (due to)/from M&G Securities Limited	13		0	
Amounts paid on cancellation of shares	0		(29,400)	
		(224)		(28,700)
Dilution adjustments		0		11
Change in net assets attributable to shareholders from investment activities (see above)		224		(553)
Retained distributions on Accumulation shares		0		595
<b>Closing net assets attributable to shareholders</b>		<b>0</b>		<b>0</b>

The fund closed on 13 July 2023.

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 January	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		0	0
<b>Current assets</b>			
Debtors	8	1	6
Cash and bank balances	9	323	57
<b>Total assets</b>		<b>324</b>	<b>63</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	10	(324)	(63)
<b>Total liabilities</b>		<b>(324)</b>	<b>(63)</b>
<b>Net assets attributable to shareholders</b>		<b>0</b>	<b>0</b>

The fund closed on 13 July 2023.

# 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 Net capital gains/(losses)

for the year to 31 January	2025 \$'000	2024 \$'000
Non-derivative securities	237	(892)
Currency gains/(losses)	(8)	305
<b>Net capital gains/(losses)</b>	<b>229</b>	<b>(587)</b>



# Financial statements and notes

## 3 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 January	2025 \$'000	% of transaction	2024 \$'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	0		915	
Commissions	0	0.00	1	0.08
Taxes	0	0.00	0	0.02
<b>Equities after transaction costs</b>	<b>0</b>		<b>916</b>	
<b>Debt securities</b>	<b>0</b>		<b>14,094</b>	
<b>Total purchases after transaction costs</b>	<b>0</b>		<b>15,010</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	237		18,448	
Commissions	0	0.00	(6)	0.03
Taxes	0	0.00	(17)	0.09
<b>Equities after transaction costs</b>	<b>237</b>		<b>18,425</b>	
<b>Debt securities</b>	<b>0</b>		<b>23,109</b>	
<b>Total sales after transaction costs</b>	<b>237</b>		<b>41,534</b>	
	2025 \$'000	% of average NAV	2024 \$'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	0	0.00	7	0.02
<b>Taxes paid</b>				
Equities	0	0.00	17	0.06
<b>Total direct portfolio transaction costs</b>	<b>0</b>	<b>0.00</b>	<b>24</b>	<b>0.08</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.00		0.00

# Financial statements and notes

## 4 Revenue

for the year to 31 January	2025 \$'000	2024 \$'000
Bank interest	(2)	18
Dividends from equity investments: non-taxable	0	544
Dividends from equity investments: taxable	0	10
HMRC FX loss: non-taxable	(2)	24
Interest on debt securities	0	333
Property distribution: taxable	0	56
<b>Total revenue</b>	<b>(4)</b>	<b>985</b>

## 5 Expenses

for the year to 31 January	2025 \$'000	2024 \$'000
<b>Payable to the ACD or associate</b>		
Annual charge	0	56
<b>Total expenses</b>	<b>0</b>	<b>56</b>

Audit fees for the financial year ending 2025 were £6,000 (2024: £7,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 6 Taxation

for the year to 31 January	2025 \$'000	2024 \$'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	72
Withholding tax	0	55
Double taxation relief	0	(9)
Capital gains tax (India)	0	12
Deferred tax (note 6c)	0	0
<b>Total taxation</b>	<b>0</b>	<b>130</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	(5)	929
Corporation tax at 20%	(1)	186
<b>Effects of:</b>		
Revenue: non-taxable	1	(114)
Double taxation relief	0	(9)
Withholding tax	0	55
Capital gains tax (India)	0	12
<b>Total tax charge (note 6a)</b>	<b>0</b>	<b>130</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 6a)	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 (2024: same).

# Financial statements and notes

## 7 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 January	2025		2024	
	Inc \$'000	Acc \$'000	Inc \$'000	Acc \$'000
<b>Dividend distributions</b>				
First interim	n/a	n/a	11	103
Second interim	n/a	n/a	10	93
Third interim	n/a	n/a	11	89
Fourth interim	n/a	n/a	11	121
Fifth interim	n/a	n/a	12	189
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a
Total net distributions		0		650
Income deducted on cancellation of shares		0		117
Income received on issue of shares		0		(2)
<b>Equalisation/Distributions</b>		<b>0</b>		<b>765</b>
Net revenue/(expense) per statement of total return		(5)		799
Expenses offset against capital		0		8
Capital gains tax offset against capital		0		12
Income deficit transferred to capital		5		(54)
<b>Equalisation/Distributions</b>		<b>0</b>		<b>765</b>

## 8 Debtors

as at 31 January	2025 \$'000	2024 \$'000
Bank interest receivable	0	5
Withholding tax recoverable	1	1
<b>Total debtors</b>	<b>1</b>	<b>6</b>

# Financial statements and notes

## 9 Cash and bank balances

as at 31 January	2025 \$'000	2024 \$'000
Cash held as bank balances	323	57
<b>Total cash and bank balances</b>	<b>323</b>	<b>57</b>

## 10 Other creditors

as at 31 January	2025 \$'000	2024 \$'000
Corporation tax payable	0	63
Amount due to investors	237	0
Payable to M&G Securities Limited	87	0
<b>Total other creditors</b>	<b>324</b>	<b>63</b>

## 11 Contingent assets, liabilities and outstanding commitments

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

## 12 Shares in issue

As the fund closed on 13 July 2023, there were no outstanding shares as at 31 January 2025 (2024: same).

## 13 Risk management policies

The general risk management policies that are set out in note 3 to the financial statements on pages 13 to 15 are no longer applicable to this fund as it closed on 13 July 2023.

## 14 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 January 2024 was 20%.

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

No values are calculated for the financial year ended 31 January 2025 as the fund closed on 13 July 2023.

for the year to 31 January	2025 Utilisation of VaR	2024 <sup>a</sup> Utilisation of VaR 20%
Lowest	n/a	5.75
Highest	n/a	45.70
Average	n/a	39.44

<sup>a</sup> The data covers the period up to the fund closure on 13 July 2023.

# Financial statements and notes

## 15 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 January 2024 are disclosed in the table below. No values are calculated for the financial year ended 31 January 2025 as the fund closed on 13 July 2023. 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 January	2025 \$'000	2025 %	2024 <sup>a</sup> \$'000	2024 <sup>a</sup> %
Lowest	n/a	n/a	0	0.00
Highest	n/a	n/a	6	0.02
Average	n/a	n/a	0	0.00

<sup>a</sup> The data covers the period up to the fund closure on 13 July 2023.

## 16 Dividend distribution tables

The fund closed on 13 July 2023 therefore no distribution has been made with respect to the year ended 31 January 2025.

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares for the year ended 31 January 2024.

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 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.5033
Second interim	n/a	n/a	n/a	0.4572
Third interim	n/a	n/a	n/a	0.4280
Fourth interim	n/a	n/a	n/a	0.5751
Fifth interim	n/a	n/a	n/a	0.8521
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.4984
Second interim	n/a	n/a	n/a	0.4202
Third interim	n/a	n/a	n/a	0.3997
Fourth interim	n/a	n/a	n/a	0.5635
Fifth interim	n/a	n/a	n/a	0.8924
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a

# Financial statements and notes

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.5035
Second interim	n/a	n/a	n/a	0.4551
Third interim	n/a	n/a	n/a	0.4263
Fourth interim	n/a	n/a	n/a	0.5749
Fifth interim	n/a	n/a	n/a	0.8557
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.5319
Second interim	n/a	n/a	n/a	0.4610
Third interim	n/a	n/a	n/a	0.4364
Fourth interim	n/a	n/a	n/a	0.6056
Fifth interim	n/a	n/a	n/a	0.9390
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a



# Financial statements and notes

## Sterling Class 'L' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.5033
Second interim	n/a	n/a	n/a	0.4537
Third interim	n/a	n/a	n/a	0.4253
Fourth interim	n/a	n/a	n/a	0.5743
Fifth interim	n/a	n/a	n/a	0.8571
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a

## Sterling Class 'L' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.5481
Second interim	n/a	n/a	n/a	0.4814
Third interim	n/a	n/a	n/a	0.4549
Fourth interim	n/a	n/a	n/a	0.6267
Fifth interim	n/a	n/a	n/a	0.9622
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a

# Financial statements and notes

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.5038
Second interim	n/a	n/a	n/a	0.4543
Third interim	n/a	n/a	n/a	0.4256
Fourth interim	n/a	n/a	n/a	0.5746
Fifth interim	n/a	n/a	n/a	0.8564
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.5401
Second interim	n/a	n/a	n/a	0.4714
Third interim	n/a	n/a	n/a	0.4458
Fourth interim	n/a	n/a	n/a	0.6160
Fifth interim	n/a	n/a	n/a	0.9505
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a

# Financial statements and notes

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.5035
Second interim	n/a	n/a	n/a	0.4567
Third interim	n/a	n/a	n/a	0.4276
Fourth interim	n/a	n/a	n/a	0.5753
Fifth interim	n/a	n/a	n/a	0.8539
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	n/a	n/a	n/a	0.5115
Second interim	n/a	n/a	n/a	0.4357
Third interim	n/a	n/a	n/a	0.4135
Fourth interim	n/a	n/a	n/a	0.5798
Fifth interim	n/a	n/a	n/a	0.9103
Sixth interim	n/a	n/a	n/a	n/a
Seventh interim	n/a	n/a	n/a	n/a
Eighth interim	n/a	n/a	n/a	n/a
Ninth interim	n/a	n/a	n/a	n/a
Tenth interim	n/a	n/a	n/a	n/a
Eleventh interim	n/a	n/a	n/a	n/a
Final	n/a	n/a	n/a	n/a

## 17 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 31 July 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 charges figure, than the Refinitiv Global Focus Convertible Bond Index over any five-year period.

## Investment policy

At least 70% of the fund is invested in the convertible securities of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets. Exposure to these securities is achieved, either directly or indirectly, through various combinations of corporate bonds, equities and derivatives.

The convertible securities may be denominated in any currency.

The fund may also invest in other transferable securities directly or via collective investment schemes (including funds managed by M&G).

The fund may also hold cash and near cash for liquidity purposes.

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

## Investment approach

The fund employs a disciplined approach to investment which concentrates on the selection of convertible securities based upon fundamental analysis of individual companies, and their bond and equity characteristics.

The fund manager focuses on convertible securities that provide the best risk-reward features in their view. For these convertible securities, the fund manager expects that the potential gain from the option on the underlying share price exceeds the potential loss from the share price falling.

## Benchmark

Refinitiv Global Focus Convertible Bond Index

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

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

For 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 January 2025

### Performance against objective

Over the reporting period, the M&G Global Convertibles Fund delivered strong positive total returns (the combination of income and growth of capital) across its unhedged and hedged share classes.

The fund's unhedged share classes outperformed their benchmark, the Refinitiv Global Focus Convertible Bond Index, which returned +13.4% over the reporting period.

With the exception of the Sterling 'A-H' Accumulation share class, the fund's hedged share classes outperformed their benchmark, the Refinitiv Global Focus Convertible Bond Index (Hedged), which posted a return of +12.4% over the reporting period.

Over five years, the fund registered positive returns across all its unhedged share classes and met their objective of delivering a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than the Refinitiv Global Focus Convertible Bond Index, which returned +3.9% pa over this period.

Over five years, only one of the hedged share classes, the Sterling 'I-H' Accumulation share class met its objective of delivering a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than the Refinitiv Global Focus Convertible Bond Index (Hedged), which returned +3.6% pa over this period. The other two share classes did not meet their objective.

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

### Performance review

The 12-month period to end-January 2025, saw equities post strong gains while the performance of fixed income investments was more varied.

Stockmarkets were driven higher as economic growth surprised on the upside and central banks finally began to cut interest rates. US stockmarkets were the

standout performer, powered higher by gains for the 'Magnificent Seven' for most of the period.

Returns for bond investors were more mixed despite falling inflation and interest rate cuts, as those rate cuts took longer than many expected. Developed market government bond yields in the US, UK and Germany rose over the 12-month period, which translated into losses on long-dated sovereign bonds. Corporate bonds fared better, as credit spreads tightened. (Credit spreads are a measure of the difference between the yield of a corporate bond and a government bond of the same maturity.)

The fund's relative performance was supported by our holdings in a convertible bond and shares in Italy-based cable manufacturer Prysmian and a bond exchangeable into the shares of Deutsche Telekom, which performed very strongly over the 12 months.

Our holding in a convertible issued by radiopharmaceutical-focused company Lantheus also supported performance. Its shares rallied following the unexpected positive announcement relating to reimbursement rates for one of its flagship products.

Technology shares performed well in general and our holding in a convertible issued by Vertex, a tax accounting software company also added value. A convertible from Japan-based, which owns the intellectual property for the Hello Kitty franchise was also beneficial. The company reported better-than-expected results from its Chinese operations during the review period.

Conversely, convertibles from STMicroelectronics, hard disk drive manufacturer Seagate and technology company Akamai detracted from relative performance. Shares in Akamai fell when the company issued weak guidance for the rest of its financial year.

Relative returns were also hurt by the strong performance of convertibles from MicroStrategy, which the fund does not hold, but which was in the fund's benchmark until December 2024. Technology company MicroStrategy has been issuing convertible bonds and

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using the funds to make significant investments in Bitcoin, the price of which has risen rapidly over the past 12 months.

## Investment activities

Throughout the review period, we were active in adjusting the positioning of the portfolio, buying what we believed were attractively priced convertibles and other securities, while reducing or selling those that no longer satisfied our selection criteria.

Transactions in the consumer discretionary sector, included the purchase of convertibles from Japan's Sanrio, German-headquartered company Delivery Hero and US-based Airbnb and Rivian, an electric vehicle manufacturer. We also bought convertibles from China-based companies JD.com.

In industrials, we purchased a convertible bond in March from Uber Technologies, maturing in 2025. In November, our holding in a convertible bond from Uber maturing in 2026, was called by the company and redeemed at par. In December, we switched our remaining Uber positions into Uber convertible bonds maturing in 2028. In July, our holding in a convertible issued by Italy-based cable manufacturer Prysmian, was called, forcing its conversion into shares. We decided to keep the position in the equity, albeit scaled back, and bought shares in Nexans, a similar firm to Prysmian, which also enjoys favourable industry dynamics.

In financials, we bought convertibles issued by Global Payments, Ping An Insurance and Coinbase. During the year, we became more confident that the German residential market had seen a trough in valuations and in September we bought a convertible from Leg Immobilien (LEG Properties), which we felt was offered on good terms.

Our exposure to healthcare decreased over the review period. We closed positions in convertibles from Merit Medical Systems and Pacira BioSciences. We also switched out of a convertible issued by Exact Sciences, into two other convertibles by the same company, that we felt were more attractive. This transaction enabled us to move to more equity sensitive instruments and

take advantage of the depressed share price in Exact Sciences. Towards the end of the review period, we switched out of a convertible issued by Jazz Pharmaceuticals into a more attractive convertible from the same company, with a higher coupon and delta. (The delta is the sensitivity of the convertible's price to movements in the underlying equity price.)

The technology sector is the fund's largest position and is one where we are overweight versus the benchmark. Early in the review period, we bought a synthetic bond issued by Barclays, which has Microsoft as the underlying exposure. In March, we began a position in a zero-coupon convertible issued by Itron maturing in 2026 and began selling down an equity position in the same company. In June, we bought another convertible from Itron with a coupon of 1.375% and maturing in 2030 and in August we closed the equity position.

Later we bought convertibles issued by Vertex, Xero Investments and Nutanix. We bought shares in Nice, to increase the delta of our existing convertible position and reduced exposure to an existing holding in Box, and recycled the capital into a more defensive new issue by the same company. We also bought convertibles from Bill and China-based Xiaomi.

Early in the review period, in communication services, we switched convertibles in Live Nation, the resulting convertible being more sensitive to the underlying share price and bought a bond issued by Goldman Sachs exchangeable into Tencent shares. In October, we received shares in Nebius (formerly known as Yandex), a technology infrastructure company developing a portfolio of AI-related assets. The Nebius shares were received pursuant to a purchase agreement we entered into with Yandex in 2022, which stipulated that Yandex would deliver additional shares to us when it completed the disposal of all Russian assets.

## Outlook

We believe that markets are currently driven by enthusiasm and grand narratives about AI, techno optimism, US exceptionalism, structural growth, Trumpism and deregulation, rather than by

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macroeconomic factors such as GDP growth or inflation. This manifests itself in high equity valuations, for example the S&P 500 and Russell 2000 (small cap) indices are trading at multi-decade highs.

We have seen a large amount of new crypto-related bond issuance. We do not think this is due to macro inflation/monetary debasement fears. Instead, we would argue that an incoming Trump administration in the US, bringing with it the prospect of a more favourable regulatory regime for crypto assets (and leading to mass institutional adoption), has become the dominant narrative. This has greatly increased the valuation of cryptocurrencies, as well as crypto stocks along with their propensity to issue convertibles.

In addition, the need for substantial investments to host the HPC (high-performance computing) data centres required for AI has led many cryptocurrency miners to reallocate resources towards AI infrastructure, fostering the sentiment that cryptocurrency miners are a great way to play the AI wave. Whilst we foresaw that there would be a spate of AI-related issuance, we didn't anticipate it would come from the crypto mining sector.

With crypto stocks accounting for 14% of US new convertibles issuance in 2024 and approaching c4.5% weight of our benchmark, avoiding the crypto sector is currently proving difficult. We remain cautious and aim to invest where we are comfortable with the credit risk involved. This is very important at this stage in the cycle when spreads are close to a 20+ year tight, equity valuations have been boosted by the thematic narratives described above, and the feeling that the US is the only game in town. Furthermore, we also run the risk that the technical features (the option terms and conditions) start to become stretched and unfavourable to investors, as happened during the 2020-2021 period.

Hence, we will continue to be highly selective and adhere to our usual long-term approach, seeking good fundamentals, solid credits, undemanding equity valuations and attractive technicals, rather than investing on expectations of a Trump-driven crypto windfall.

While we are cautious on crypto-related convertibles, we have indirect exposure through a cryptocurrency exchange (Coinbase) which is agnostic to which cryptocurrencies are outperforming at any given point in time, and has invested in compliance – positioning itself to become a key beneficiary of crypto going mainstream. We have also invested in a company (Core Scientific) that is well positioned to be a major beneficiary of AI expansion and the build out of AI data centres for high-performance computing.

## Léonard Vinville

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 <sup>a</sup>	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Equities</b>	<b>8,313</b>	<b>2.92</b>	<b>1.54</b>
<b>Europe</b>	<b>7,470</b>	<b>2.62</b>	<b>0.55</b>
<b>European equities</b>	<b>7,470</b>	<b>2.62</b>	<b>0.55</b>
24,614 Aptiv PLC	1,553	0.55	
22,011 Nebius Group NV	723	0.25	
12,411 Nexans SA	1,225	0.43	
5,073 Nice Ltd. ADR	838	0.29	
44,176 Prysmian SpA	3,131	1.10	
50,379 Severstal PAO GDR <sup>b</sup>	0	0.00	
<b>North America</b>	<b>0</b>	<b>0.00</b>	<b>0.52</b>
<b>North American equities</b>	<b>0</b>	<b>0.00</b>	<b>0.52</b>
<b>Asia Pacific</b>	<b>843</b>	<b>0.30</b>	<b>0.47</b>
<b>Asia Pacific equities</b>	<b>843</b>	<b>0.30</b>	<b>0.47</b>
942,000 CIMC Enric Holdings Ltd.	843	0.30	
<b>Fixed income</b>	<b>274,915</b>	<b>96.46</b>	<b>98.96</b>
<b>United Kingdom</b>	<b>26,134</b>	<b>9.17</b>	<b>6.70</b>
<b>Investment grade corporate bonds</b>	<b>8,576</b>	<b>3.01</b>	<b>1.55</b>
US\$8,662,000 Barclays Bank PLC 1% 16/02/2029 (Microsoft Corp.)	8,576	3.01	
<b>Below investment grade corporate bonds</b>	<b>8,631</b>	<b>3.03</b>	<b>0.80</b>
US\$3,800,000 HTA Group Ltd. 2.875% 18/03/2027 (Helios Towers PLC)	3,494	1.23	
US\$826,000 HTA Group Ltd. 7.5% 04/06/2029	834	0.29	
US\$1,414,000 Immunocore Holdings PLC 2.5% 01/02/2030 (Immunocore Holdings PLC)	1,205	0.42	
£556,000 Ocado Group PLC 10.5% 08/08/2029	704	0.25	
£1,994,000 Ocado Group PLC 3.875% 08/10/2026	2,394	0.84	
<b>Corporate bonds with no credit rating</b>	<b>8,927</b>	<b>3.13</b>	<b>4.35</b>
£3,600,000 Shaftesbury Capital PLC 2% 30/03/2026 (Shaftesbury Capital PLC)	4,282	1.50	
£3,900,000 WH Smith PLC 1.625% 07/05/2026 (WH Smith PLC)	4,645	1.63	
<b>Denmark</b>	<b>0</b>	<b>0.00</b>	<b>0.32</b>
<b>Corporate bonds with no credit rating</b>	<b>0</b>	<b>0.00</b>	<b>0.32</b>
<b>France</b>	<b>2,697</b>	<b>0.95</b>	<b>4.22</b>
<b>Investment grade corporate bonds</b>	<b>2,697</b>	<b>0.95</b>	<b>2.70</b>
€2,000,000 BNP Paribas SA 0% 13/05/2025 (BNP Paribas SA)	2,697	0.95	



# Portfolio statement

## Investments (continued)

Holding <sup>a</sup>	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Fixed income (continued)</b>			
<b>France (continued)</b>			
<b>Corporate bonds with no credit rating</b>	<b>0</b>	<b>0.00</b>	<b>1.52</b>
<b>Germany</b>	<b>12,681</b>	<b>4.45</b>	<b>4.42</b>
<b>Investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.45</b>
<b>Corporate bonds with no credit rating</b>	<b>12,681</b>	<b>4.45</b>	<b>3.97</b>
€2,800,000 Duerr AG 0.75% 15/01/2026 (Duerr AG)	2,865	1.01	
€3,300,000 LEG Properties BV 1% 04/09/2030 (LEG Immobilien SE)	3,517	1.23	
€3,100,000 RAG-Stiftung 1.875% 16/11/2029 (Evonik Industries AG)	3,488	1.22	
€2,900,000 Zalando SE 0.625% 06/08/2027 (Zalando SE)	2,811	0.99	
<b>Ireland</b>	<b>7,202</b>	<b>2.53</b>	<b>2.71</b>
<b>Below investment grade corporate bonds</b>	<b>7,202</b>	<b>2.53</b>	<b>2.71</b>
US\$7,037,000 Jazz Investments I Ltd. 2% 15/06/2026 (Jazz Pharmaceuticals PLC)	7,202	2.53	
<b>Italy</b>	<b>6,689</b>	<b>2.35</b>	<b>5.78</b>
<b>Investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>3.60</b>
<b>Below investment grade corporate bonds</b>	<b>6,689</b>	<b>2.35</b>	<b>2.18</b>
€2,100,000 Nexi SpA 1.75% 24/04/2027 (Nexi SpA)	2,087	0.73	
€3,200,000 Saipem SpA 2.875% 11/09/2029 (Saipem SpA)	4,602	1.62	
<b>Netherlands</b>	<b>947</b>	<b>0.33</b>	<b>1.49</b>
<b>Corporate bonds with no credit rating</b>	<b>947</b>	<b>0.33</b>	<b>1.49</b>
€900,000 Pharming Group NV 4.5% 25/04/2029 (Pharming Group NV)	947	0.33	
<b>Spain</b>	<b>5,055</b>	<b>1.77</b>	<b>2.76</b>
<b>Investment grade corporate bonds</b>	<b>5,055</b>	<b>1.77</b>	<b>2.76</b>
€4,600,000 Cellnex Telecom SA 0.5% 05/07/2028 (Cellnex Telecom SA)	5,055	1.77	
<b>Switzerland</b>	<b>4,796</b>	<b>1.68</b>	<b>2.11</b>
<b>Investment grade corporate bonds</b>	<b>4,796</b>	<b>1.68</b>	<b>2.11</b>
US\$5,200,000 STMicroelectronics NV 0% 04/08/2027 (STMicroelectronics NV)	4,796	1.68	
<b>United States</b>	<b>144,561</b>	<b>50.72</b>	<b>40.51</b>
<b>Investment grade corporate bonds</b>	<b>29,730</b>	<b>10.43</b>	<b>4.88</b>
US\$2,389,000 BofA Finance LLC 0.6% 25/05/2027 (Merck & Co., Inc.)	2,428	0.85	
US\$5,415,000 Global Payments, Inc. 1.5% 01/03/2031 (Global Payments, Inc.)	5,322	1.87	

# Portfolio statement

## Investments (continued)

Holding <sup>a</sup>	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Fixed income (continued)</b>			
<b>United States (continued)</b>			
<b>Investment grade corporate bonds (continued)</b>			
US\$3,700,000 Goldman Sachs Finance Corp. International Ltd. 0% 15/03/2027 (Tencent Holdings Ltd.)	4,338	1.52	
US\$3,244,000 Rexford Industrial Realty LP 4.125% 15/03/2029 (Rexford Industrial Realty, Inc.)	3,184	1.12	
US\$4,545,000 Southwest Airlines Co. 1.25% 01/05/2025 (Southwest Airlines Co.)	4,563	1.60	
US\$8,547,000 Uber Technologies, Inc. 0.875% 01/12/2028 (Uber Technologies, Inc.)	9,895	3.47	
	<b>10,700</b>	<b>3.75</b>	<b>5.70</b>
<b>Below investment grade corporate bonds</b>			
US\$8,187,000 Seagate HDD Cayman 3.5% 01/06/2028 (Seagate Technology Holdings PLC)	10,700	3.75	
	<b>104,131</b>	<b>36.54</b>	<b>29.93</b>
<b>Corporate bonds with no credit rating</b>			
US\$3,456,000 Advanced Energy Industries, Inc. 2.5% 15/09/2028 (Advanced Energy Industries, Inc.)	3,772	1.32	
US\$4,283,000 Airbnb, Inc. 0% 15/03/2026 (Airbnb, Inc.)	4,049	1.42	
US\$5,153,000 Akamai Technologies, Inc. 0.375% 01/09/2027 (Akamai Technologies, Inc.)	5,363	1.88	
US\$909,000 Astronics Corp. 5.5% 15/03/2030 (Astronics Corp.)	1,025	0.36	
US\$4,195,000 Bill Holdings, Inc. 0% 01/04/2030 (Bill Holdings, Inc.)	4,471	1.57	
US\$547,000 Box, Inc. 0% 15/01/2026 (Box, Inc.)	724	0.25	
US\$6,662,000 Box, Inc. 1.5% 15/09/2029 (Box, Inc.)	6,623	2.32	
US\$4,709,000 Coinbase Global, Inc. 0.25% 01/04/2030 (Coinbase Global, Inc.)	5,614	1.97	
US\$2,064,000 Core Scientific, Inc. 3% 01/09/2029 (Core Scientific, Inc.)	2,876	1.01	
US\$1,691,000 Exact Sciences Corp. 1.75% 15/04/2031 (Exact Sciences Corp.)	1,580	0.55	
US\$1,518,000 Exact Sciences Corp. 2% 01/03/2030 (Exact Sciences Corp.)	1,562	0.55	
US\$5,000,000 Halozyme Therapeutics, Inc. 1% 15/08/2028 (Halozyme Therapeutics, Inc.)	5,920	2.08	
US\$1,409,000 Itron, Inc. 0% 15/03/2026 (Itron, Inc.)	1,457	0.51	
US\$6,148,000 Itron, Inc. 1.375% 15/07/2030 (Itron, Inc.)	6,417	2.25	
€5,300,000 JPMorgan Chase Financial Co. LLC 0% 29/04/2025 (Deutsche Telekom AG)	9,119	3.20	
US\$6,483,000 Lantheus Holdings, Inc. 2.625% 15/12/2027 (Lantheus Holdings, Inc.)	8,834	3.10	

# Portfolio statement

## Investments (continued)

Holding <sup>a</sup>	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Fixed income (continued)</b>			
<b>United States (continued)</b>			
<b>Corporate bonds with no credit rating (continued)</b>			
US\$954,000 Live Nation Entertainment, Inc. 2.875% 15/01/2030 (Live Nation Entertainment, Inc.)	990	0.35	
US\$3,994,000 Live Nation Entertainment, Inc. 3.125% 15/01/2029 (Live Nation Entertainment, Inc.)	5,892	2.07	
US\$872,000 MACOM Technology Solutions Holdings, Inc. 0.25% 15/03/2026 (MACOM Technology Solutions Holdings, Inc.)	1,410	0.50	
US\$3,505,000 MP Materials Corp. 3% 01/03/2030 (MP Materials Corp.)	4,431	1.56	
US\$4,993,000 Nutanix, Inc. 0.25% 01/10/2027 (Nutanix, Inc.)	6,479	2.27	
US\$472,000 Nutanix, Inc. 0.5% 15/12/2029 (Nutanix, Inc.)	488	0.17	
US\$6,417,000 Rivian Automotive, Inc. 3.625% 15/10/2030 (Rivian Automotive, Inc.)	5,709	2.00	
US\$1,769,000 Sarepta Therapeutics, Inc. 1.25% 15/09/2027 (Sarepta Therapeutics, Inc.)	1,898	0.67	
US\$2,683,000 Spirit AeroSystems, Inc. 3.25% 01/11/2028 (Spirit AeroSystems, Inc.)	3,701	1.30	
US\$2,222,000 Vertex, Inc. 0.75% 01/05/2029 (Vertex, Inc.)	3,727	1.31	
<b>Mexico</b>	<b>0</b>	<b>0.00</b>	<b>1.34</b>
<b>Investment grade corporate bonds</b>	<b>0</b>	<b>0.00</b>	<b>1.34</b>
<b>Japan</b>	<b>7,140</b>	<b>2.50</b>	<b>1.28</b>
<b>Corporate bonds with no credit rating</b>	<b>7,140</b>	<b>2.50</b>	<b>1.28</b>
¥280,000,000 INFRONEER Holdings, Inc. 0.01% 30/03/2029 (INFRONEER Holdings, Inc.)	1,765	0.62	
¥520,000,000 Park24 Co. Ltd. 0% 24/02/2028 (Park24 Co. Ltd.)	3,445	1.21	
¥130,000,000 Sanrio Co. Ltd. 0% 14/12/2028 (Sanrio Co. Ltd.)	1,930	0.67	
<b>Australia</b>	<b>4,512</b>	<b>1.58</b>	<b>1.20</b>
<b>Investment grade corporate bonds</b>	<b>4,512</b>	<b>1.58</b>	<b>1.20</b>
AU\$6,800,000 DEXUS Finance Pty. Ltd. 3.5% 24/11/2027 (Dexus)	4,512	1.58	
<b>China</b>	<b>41,430</b>	<b>14.54</b>	<b>12.84</b>
<b>Investment grade corporate bonds</b>	<b>12,975</b>	<b>4.55</b>	<b>2.90</b>
US\$5,873,000 JD.com, Inc. 0.25% 01/06/2029 (JD.com, Inc.)	6,863	2.41	
US\$1,144,000 Lenovo Group Ltd. 2.5% 26/08/2029 (Lenovo Group Ltd.)	1,427	0.50	
US\$1,800,000 Meituan 0% 27/04/2028 (Meituan)	1,715	0.60	
US\$2,500,000 Xiaomi Best Time International Ltd. 0% 17/12/2027 (Xiaomi Corp.)	2,970	1.04	

# Portfolio statement

## Investments (continued)

Holding <sup>a</sup>	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Fixed income (continued)</b>			
<b>China (continued)</b>			
<b>Below investment grade corporate bonds</b>			
US\$1,737,000 Longfor Group Holdings Ltd. 3.85% 13/01/2032	1,149	0.40	
US\$2,817,000 Longfor Group Holdings Ltd. 3.95% 16/09/2029	2,071	0.73	
<b>Corporate bonds with no credit rating</b>			
US\$5,082,000 H World Group Ltd. 3% 01/05/2026 (H World Group Ltd.)	5,458	1.92	
US\$5,100,000 Ping An Insurance Group Co. of China Ltd. 0.875% 22/07/2029 (Ping An Insurance Group Co. of China Ltd.)	5,911	2.07	
US\$2,867,000 Trip.com Group Ltd. 1.5% 01/07/2027 (H World Group Ltd.)	3,147	1.11	
HK\$31,000,000 Zhongsheng Group Holdings Ltd. 0% 21/05/2025 (Zhongsheng Group Holdings Ltd.)	4,592	1.61	
US\$6,177,000 ZTO Express Cayman, Inc. 1.5% 01/09/2027 (ZTO Express Cayman, Inc.)	6,127	2.15	
<b>Hong Kong</b>			
<b>Corporate bonds with no credit rating</b>			
	0	0.00	1.27
<b>India</b>			
<b>Investment grade corporate bonds</b>			
	0	0.00	1.12
<b>New Zealand</b>			
<b>Corporate bonds with no credit rating</b>			
US\$3,175,000 Xero Investments Ltd. 1.625% 12/06/2031 (Xero Ltd.)	3,843	1.35	0.00
<b>South Korea</b>			
<b>Investment grade corporate bonds</b>			
US\$1,400,000 SK Hynix, Inc. 1.75% 11/04/2030 (SK Hynix, Inc.)	2,432	0.85	1.47
<b>Corporate bonds with no credit rating</b>			
€1,700,000 Delivery Hero SE 1% 23/01/2027 (Delivery Hero SE)	1,611	0.57	0.00
<b>Israel</b>			
<b>Corporate bonds with no credit rating</b>			
US\$3,298,000 Nice Ltd. 0% 15/09/2025 (Nice Ltd.)	3,185	1.12	3.92
<b>Cayman Islands</b>			
<b>Below investment grade corporate bonds</b>			
	0	0.00	3.50
<b>Portfolio of investments</b>	<b>283,228</b>	<b>99.38</b>	

# Portfolio statement

## Investments (continued)

Holding <sup>a</sup>	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Share class hedging</b>	<b>(11)</b>	<b>0.00</b>	<b>0.00</b>
<b>Forward currency contracts for share class hedging</b>	<b>(11)</b>	<b>0.00</b>	<b>0.00</b>
£15,805 Bought for AU\$31,495 (expires 05.02.25)	0	0.00	
£151,100 Bought for €181,672 (expires 05.02.25)	(1)	0.00	
£31,071 Bought for HK\$302,645 (expires 05.02.25)	0	0.00	
£25,612 Bought for ¥5,012,036 (expires 05.02.25)	(1)	0.00	
HK\$117,690 Bought for £12,414 (expires 05.02.25)	0	0.00	
¥227,353 Bought for £1,181 (expires 05.02.25)	0	0.00	
£753,192 Bought for US\$943,238 (expires 05.02.25)	(9)	0.00	
£(6,397) Sold for US\$8,023 (expires 05.02.25)	0	0.00	
<b>Total portfolio</b>	<b>283,217</b>	<b>99.38</b>	<b>100.50</b>
<b>Net other assets/(liabilities)</b>	<b>1,781</b>	<b>0.62</b>	<b>(0.50)</b>
<b>Net assets attributable to shareholders</b>	<b>284,998</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> The underlying stock for each convertible bond is shown in brackets.

<sup>b</sup> M&G's Valuation Sub Committee are valuing these securities at £nil until further notice.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 January 2025

Largest purchases	\$'000
Barclays Bank PLC 1% 16/02/2029 (Microsoft Corp.)	9,161
Box, Inc. 1.5% 15/09/2029 (Box, Inc.)	6,685
Itron, Inc. 1.375% 15/07/2030 (Itron, Inc.)	6,201
Rivian Automotive, Inc. 3.625% 15/10/2030 (Rivian Automotive, Inc.)	6,050
Nutanix, Inc. 0.25% 01/10/2027 (Nutanix, Inc.)	6,038
JD.com, Inc. 0.25% 01/06/2029 (JD.com, Inc.)	5,852
Coinbase Global, Inc. 0.25% 01/04/2030 (Coinbase Global, Inc.)	5,774
Ping An Insurance Group Co. of China Ltd. 0.875% 22/07/2029 (Ping An Insurance Group Co. of China Ltd.)	5,479
Global Payments, Inc. 1.5% 01/03/2031 (Global Payments, Inc.)	5,457
Itron, Inc. 0% 15/03/2026 (Itron, Inc.)	4,641
Other purchases	100,648
<b>Total purchases</b>	<b>161,986</b>

Largest sales	\$'000
Prysmian SpA 0% 02/02/2026 (Prysmian SpA)	10,504
Box, Inc. 0% 15/01/2026 (Box, Inc.)	7,984
Meituan 0% 27/04/2028 (Meituan)	6,987
Barclays Bank PLC 0% 18/02/2025 (Visa, Inc.)	5,632
MP Materials Corp. 0.25% 01/04/2026 (MP Materials Corp.)	4,775
MACOM Technology Solutions Holdings, Inc. 0.25% 15/03/2026 (MACOM Technology Solutions Holdings)	4,544
CyberArk Software Ltd. 0% 15/11/2024 (CyberArk Software Ltd.)	4,218
BNP Paribas SA 0% 13/05/2025 (BNP Paribas SA)	3,788
Sail Vantage Ltd. 0% 13/01/2027 (China Meidong Auto Holdings Ltd.)	3,571
Southwest Airlines Co. 1.25% 01/05/2025 (Southwest Airlines Co.)	3,535
Other sales	85,093
<b>Total sales</b>	<b>140,631</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	+13.9	+4.1	+4.4	+4.4
Class 'A' Accumulation	+13.9	+4.1	+4.3	+4.4
Class 'A-H' Accumulation	+12.4	+2.0	+3.3	+2.3
Class 'I' Income	+14.3	+4.5	+4.8	+5.0
Class 'I' Accumulation	+14.3	+4.5	+4.8	+5.0
Class 'I-H' Accumulation	+13.0	+2.7	+4.0	+2.9
Class 'PP' Income	+14.5	+4.7	+4.9	n/a
Class 'PP' Accumulation	+14.5	+4.7	+4.9	n/a
Class 'R' Income	+14.0	+4.3	+4.6	+4.7
Class 'R' Accumulation	+14.0	+4.3	+4.5	+4.7
Class 'R-H' Accumulation	+12.6	+2.2	+3.6	+2.7
<b>Benchmark unhedged</b>	<b>+13.4</b>	<b>+2.7</b>	<b>+3.9</b>	<b>+5.1</b>
<b>Benchmark hedged</b>	<b>+12.4</b>	<b>+1.7</b>	<b>+3.6</b>	<b>+3.5</b>

<sup>a</sup> Not annualised.

# Financial highlights

## Specific share class performance

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

'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 13 July 2007.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	155.90	164.99	170.29
Return before operating charges*	23.28	(0.29)	2.43
Operating charges	(2.06)	(2.02)	(2.11)
Return after operating charges*	21.22	(2.31)	0.32
Distributions	(6.93)	(6.78)	(5.62)
Closing NAV	170.19	155.90	164.99
*after direct transaction cost of	0.01	0.00	0.00
<b>Performance</b>			
Return after charges (%)	13.61	(1.40)	0.19
<b>Other information</b>			
Closing NAV (\$'000)	232,098	181,701	149,566
Number of shares	109,889,927	91,868,025	73,557,766
Operating charges (%)	1.25	1.25	1.25
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	178.37	171.61	174.53
Lowest share price (UK p)	154.86	156.14	157.13

## Sterling Class 'A' Accumulation shares

The share class was launched on 13 July 2007.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	225.67	228.92	228.60
Return before operating charges*	33.70	(0.45)	3.15
Operating charges	(2.97)	(2.80)	(2.83)
Return after operating charges*	30.73	(3.25)	0.32
Distributions	(6.96)	(6.66)	(4.73)
Retained distributions	6.96	6.66	4.73
Closing NAV	256.40	225.67	228.92
*after direct transaction cost of	0.01	0.01	0.00
<b>Performance</b>			
Return after charges (%)	13.62	(1.42)	0.14
<b>Other information</b>			
Closing NAV (\$'000)	1,273	1,596	2,223
Number of shares	400,050	557,616	787,869
Operating charges (%)	1.25	1.25	1.25
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	258.21	238.03	234.17
Lowest share price (UK p)	224.18	216.58	210.83

# Financial highlights

## Sterling Class 'A-H' Accumulation shares

The share class was launched on 28 September 2012.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	136.90	134.88	145.56
Return before operating charges*	18.46	3.72	(8.93)
Operating charges	(1.84)	(1.70)	(1.75)
Return after operating charges*	16.62	2.02	(10.68)
Distributions	(4.11)	(3.98)	(2.78)
Retained distributions	4.11	3.98	2.78
Closing NAV	153.52	136.90	134.88
*after direct transaction cost of	0.01	0.00	0.00
<b>Performance</b>			
Return after charges (%)	12.14	1.50	(7.34)
<b>Other information</b>			
Closing NAV (\$'000)	12	27	94
Number of shares	6,000	15,841	56,593
Operating charges (%)	1.28	1.28	1.28
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	153.84	138.33	149.34
Lowest share price (UK p)	136.10	127.76	123.60

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	1,329.32	1,400.97	1,440.12
Return before operating charges*	198.85	(2.27)	20.53
Operating charges	(11.94)	(11.65)	(12.20)
Return after operating charges*	186.91	(13.92)	8.33
Distributions	(59.25)	(57.73)	(47.48)
Closing NAV	1,456.98	1,329.32	1,400.97
*after direct transaction cost of	0.06	0.04	0.03
<b>Performance</b>			
Return after charges (%)	14.06	(0.99)	0.58
<b>Other information</b>			
Closing NAV (\$'000)	3,933	4,944	12,763
Number of shares	217,502	293,163	739,241
Operating charges (%)	0.85	0.85	0.85
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	1,526.76	1,457.32	1,479.62
Lowest share price (UK p)	1,320.42	1,328.77	1,330.67

## Sterling Class 'I' Accumulation shares

The share class was launched on 13 July 2007.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	248.13	250.71	249.35
Return before operating charges*	37.16	(0.49)	3.48
Operating charges	(2.23)	(2.09)	(2.12)
Return after operating charges*	34.93	(2.58)	1.36
Distributions	(8.75)	(8.27)	(6.16)
Retained distributions	8.75	8.27	6.16
Closing NAV	283.06	248.13	250.71
*after direct transaction cost of	0.01	0.01	0.00
<b>Performance</b>			
Return after charges (%)	14.08	(1.03)	0.55
<b>Other information</b>			
Closing NAV (\$'000)	44,392	41,976	40,863
Number of shares	12,637,057	13,335,117	13,225,597
Operating charges (%)	0.85	0.85	0.85
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	285.02	260.70	256.10
Lowest share price (UK p)	246.50	237.71	230.32

# Financial highlights

## Sterling Class 'I-H' Accumulation shares

The share class was launched on 28 September 2012.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	147.11	143.23	153.94
Return before operating charges*	20.09	5.15	(9.37)
Operating charges	(1.37)	(1.27)	(1.34)
Return after operating charges*	18.72	3.88	(10.71)
Distributions	(5.07)	(4.85)	(3.52)
Retained distributions	5.07	4.85	3.52
Closing NAV	165.83	147.11	143.23
*after direct transaction cost of	0.01	0.00	0.00
<b>Performance</b>			
Return after charges (%)	12.73	2.71	(6.96)
<b>Other information</b>			
Closing NAV (\$'000)	1,205	1,432	3,326
Number of shares	585,633	767,149	1,883,984
Operating charges (%)	0.88	0.88	0.88
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	166.17	147.56	157.97
Lowest share price (UK p)	146.26	137.16	131.10

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	89.51	94.18	96.67
Return before operating charges*	13.39	(0.14)	1.37
Operating charges	(0.66)	(0.65)	(0.66)
Return after operating charges*	12.73	(0.79)	0.71
Distributions	(3.99)	(3.88)	(3.20)
Closing NAV	98.25	89.51	94.18
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	14.22	(0.84)	0.73
<b>Other information</b>			
Closing NAV (\$'000)	1,447	996	721
Number of shares	1,187,043	877,566	621,000
Operating charges (%)	0.70	0.70	0.70
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	102.94	97.98	99.43
Lowest share price (UK p)	88.91	89.40	89.38

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	115.61	116.63	115.82
Return before operating charges*	17.33	(0.22)	1.64
Operating charges	(0.86)	(0.80)	(0.83)
Return after operating charges*	16.47	(1.02)	0.81
Distributions	(4.27)	(4.02)	(3.04)
Retained distributions	4.27	4.02	3.04
Closing NAV	132.08	115.61	116.63
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	14.25	(0.87)	0.70
<b>Other information</b>			
Closing NAV (\$'000)	242	227	233
Number of shares	147,585	155,000	162,000
Operating charges (%)	0.70	0.70	0.70
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	132.99	121.29	119.08
Lowest share price (UK p)	114.85	110.67	107.05

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	130.43	137.80	142.02
Return before operating charges*	19.47	(0.22)	2.02
Operating charges	(1.51)	(1.48)	(1.55)
Return after operating charges*	17.96	(1.70)	0.47
Distributions	(5.80)	(5.67)	(4.69)
Closing NAV	142.59	130.43	137.80
*after direct transaction cost of	0.01	0.00	0.00
<b>Performance</b>			
Return after charges (%)	13.77	(1.23)	0.33
<b>Other information</b>			
Closing NAV (\$'000)	106	128	119
Number of shares	59,909	77,269	69,462
Operating charges (%)	1.10	1.10	1.10
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	149.43	143.34	145.69
Lowest share price (UK p)	129.55	130.53	131.11

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	174.66	176.91	176.40
Return before operating charges*	26.12	(0.34)	2.43
Operating charges	(2.03)	(1.91)	(1.92)
Return after operating charges*	24.09	(2.25)	0.51
Distributions	(5.68)	(5.40)	(3.92)
Retained distributions	5.68	5.40	3.92
Closing NAV	198.75	174.66	176.91
*after direct transaction cost of	0.01	0.01	0.00
<b>Performance</b>			
Return after charges (%)	13.79	(1.27)	0.29
<b>Other information</b>			
Closing NAV (\$'000)	267	337	364
Number of shares	108,249	152,057	167,159
Operating charges (%)	1.10	1.10	1.10
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	200.14	183.96	180.88
Lowest share price (UK p)	173.51	167.51	162.78

# Financial highlights

## Sterling Class 'R-H' Accumulation shares

The share class was launched on 28 September 2012.

for the year to 31 January	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	143.81	141.19	152.26
Return before operating charges*	19.53	4.21	(9.46)
Operating charges	(1.71)	(1.59)	(1.61)
Return after operating charges*	17.82	2.62	(11.07)
Distributions	(4.57)	(4.40)	(3.12)
Retained distributions	4.57	4.40	3.12
Closing NAV	161.63	143.81	141.19
*after direct transaction cost of	0.01	0.00	0.00
<b>Performance</b>			
Return after charges (%)	12.39	1.86	(7.27)
<b>Other information</b>			
Closing NAV (\$'000)	23	49	50
Number of shares	11,528	26,729	28,729
Operating charges (%)	1.13	1.13	1.13
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	161.96	144.80	156.22
Lowest share price (UK p)	142.98	134.15	129.40

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 January	Note	2025		2024	
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Net capital gains/(losses)	3		20,313		(3,876)
Revenue	5	10,874		10,756	
Expenses	6	(3,127)		(2,870)	
Interest payable and similar charges		0		(6)	
Net revenue/(expense) before taxation		7,747		7,880	
Taxation	7	(4)		(15)	
Net revenue/(expense) after taxation			7,743		7,865
<b>Total return before distributions</b>			<b>28,056</b>		<b>3,989</b>
Distributions	8		(10,461)		(10,224)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>17,595</b>		<b>(6,235)</b>

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

for the year to 31 January	2025		2024	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>233,413</b>		<b>210,322</b>
Amounts received on issue of shares	41,488		73,581	
Amounts paid on cancellation of shares	(9,071)		(46,256)	
		32,417		27,325
Dilution adjustments		112		487
Change in net assets attributable to shareholders from investment activities (see above)		17,595		(6,235)
Retained distributions on Accumulation shares		1,461		1,514
<b>Closing net assets attributable to shareholders</b>		<b>284,998</b>		<b>233,413</b>



# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 January	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		283,228	234,581
<b>Current assets</b>			
Debtors	9	16,298	1,326
Cash and bank balances	10	684	301
Cash equivalents		2,291	6,028
<b>Total assets</b>		<b>302,501</b>	<b>242,236</b>
<b>Liabilities</b>			
Investment liabilities		(11)	(3)
<b>Creditors</b>			
Distribution payable		(9,680)	(8,170)
Other creditors	11	(7,812)	(650)
<b>Total liabilities</b>		<b>(17,503)</b>	<b>(8,823)</b>
<b>Net assets attributable to shareholders</b>		<b>284,998</b>	<b>233,413</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, ordinary stock dividends have been transferred to capital, reducing the amount available.

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

### 3 Net capital gains/(losses)

for the year to 31 January	2025 \$'000	2024 \$'000
Non-derivative securities	20,275	(3,382)
Derivative contracts	(2)	(117)
Currency gains/(losses)	40	(377)
<b>Net capital gains/(losses)</b>	<b>20,313</b>	<b>(3,876)</b>

# 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 January	2025 \$'000	% of transaction	2024 \$'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	6,493		7,021	
Commissions	2	0.03	2	0.03
Taxes	7	0.11	3	0.04
<b>Equities after transaction costs</b>	<b>6,502</b>		<b>7,026</b>	
<b>Debt securities</b>	<b>155,484</b>		<b>139,076</b>	
<b>Total purchases after transaction costs</b>	<b>161,986</b>		<b>146,102</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	2,930		9,512	
Commissions	(1)	0.02	(2)	0.02
Taxes	(1)	0.02	0	0.00
<b>Equities after transaction costs</b>	<b>2,928</b>		<b>9,510</b>	
<b>Debt securities</b>	<b>137,703</b>		<b>112,237</b>	
<b>Total sales after transaction costs</b>	<b>140,631</b>		<b>121,747</b>	
	2025 \$'000	% of average NAV	2024 \$'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	3	0.00	4	0.00
<b>Taxes paid</b>				
Equities	8	0.00	3	0.00
<b>Total direct portfolio transaction costs</b>	<b>11</b>	<b>0.00</b>	<b>7</b>	<b>0.00</b>
		%		%
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.43		0.56

# Financial statements and notes

## 5 Revenue

for the year to 31 January	2025 \$'000	2024 \$'000
Bank interest	9	8
Dividends from equity investments: non-taxable	29	66
Dividends from equity investments: taxable	31	22
Interest distributions	244	378
Interest on debt securities	10,558	10,274
Rebate of ongoing charges from underlying funds	4	6
Share class hedging revenue	(1)	2
<b>Total revenue</b>	<b>10,874</b>	<b>10,756</b>

## 6 Expenses

for the year to 31 January	2025 \$'000	2024 \$'000
<b>Payable to the ACD or associate</b>		
Annual charge	3,127	2,870
<b>Total expenses</b>	<b>3,127</b>	<b>2,870</b>

Audit fees for the financial year ending 2025 were £14,000 (2024: £13,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 January	2025 \$'000	2024 \$'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	4	15
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>4</b>	<b>15</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	7,747	7,880
Corporation tax at 20%	1,549	1,576
<b>Effects of:</b>		
Revenue: non-taxable	(6)	(13)
Interest distributions	(1,543)	(1,563)
Withholding tax	4	15
<b>Total tax charge (note 7a)</b>	<b>4</b>	<b>15</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 (2024: same).

## 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 January	2025		2024	
	Inc \$'000	Acc \$'000	Inc \$'000	Acc \$'000
<b>Interest distributions</b>				
Final	9,680	1,461	8,170	1,514
Total net distributions		11,141		9,684
Income deducted on cancellation of shares		183		894
Income received on issue of shares		(863)		(354)
<b>Distributions</b>		<b>10,461</b>		<b>10,224</b>
Net revenue/(expense) per statement of total return		7,743		7,865
Expenses offset against capital		2,718		2,359
<b>Distributions</b>		<b>10,461</b>		<b>10,224</b>

# Financial statements and notes

## 9 Debtors

as at 31 January	2025 \$'000	2024 \$'000
Amounts receivable on issues of shares	7,471	19
Currency deals outstanding	7,457	203
Debt security interest receivable	1,106	798
Distributions receivable	15	29
Dividends receivable	0	18
Withholding tax recoverable	249	259
<b>Total debtors</b>	<b>16,298</b>	<b>1,326</b>

## 10 Cash and bank balances

as at 31 January	2025 \$'000	2024 \$'000
Cash held as bank balances	684	301
<b>Total cash and bank balances</b>	<b>684</b>	<b>301</b>

## 11 Other creditors

as at 31 January	2025 \$'000	2024 \$'000
Amounts payable on cancellation of shares	122	238
Annual charge payable	102	70
Currency deals outstanding	7,454	203
Payable to M&G (Lux) Global Convertibles Fund	134	139
<b>Total other creditors</b>	<b>7,812</b>	<b>650</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: 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 01.02.24	Issued	Movements Cancelled	Converted	Closing 31.01.25
<b>Sterling</b>					
Class 'A' Income	91,868,025	18,089,598	(67,696)	0	109,889,927
Class 'A' Accumulation	557,616	5,841	(163,407)	0	400,050
Class 'A-H' Accumulation	15,841	0	(9,841)	0	6,000
Class 'I' Income	293,163	11,743	(87,404)	0	217,502
Class 'I' Accumulation	13,335,117	426,646	(1,124,706)	0	12,637,057
Class 'I-H' Accumulation	767,149	37,383	(218,899)	0	585,633
Class 'PP' Income	877,566	2,389,222	(2,079,745)	0	1,187,043
Class 'PP' Accumulation	155,000	0	(7,415)	0	147,585
Class 'R' Income	77,269	485	(17,845)	0	59,909
Class 'R' Accumulation	152,057	7,458	(51,266)	0	108,249
Class 'R-H' Accumulation	26,729	143	(15,344)	0	11,528

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'	1.25
Class 'A-H'	1.28
Class 'I'	0.85
Class 'I-H'	0.88
Class 'PP'	0.70
Class 'R'	1.10
Class 'R-H'	1.13

# Financial statements and notes

## 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 payable to funds within the M&G Group are disclosed within note 11.

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 91.30% (2024: 89.24%) 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 January	Assets 2025 \$'000	Liabilities 2025 \$'000	Assets 2024 \$'000	Liabilities 2024 \$'000
Basis of valuation				
Level 1	8,313	0	3,603	0
Level 2	274,915	(11)	230,978	(3)
Level 3	0	0	0	0
	<b>283,228</b>	<b>(11)</b>	<b>234,581</b>	<b>(3)</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.



# Financial statements and notes

## 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 period up to 5 March 2023 was 15%.

The VaR limit set for periods after 6 March 2023 was two times the benchmark.

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

for the year ended 31 January	2025 Utilisation of VaR 200%	from 6 March 2023 to 31 January 2024 Utilisation of VaR%	from 1 February 2023 to 5 March 2023 Utilisation of VaR 15%
Lowest	41.63	38.62	49.60
Highest	60.86	50.85	65.53
Average	53.40	44.68	59.28

## 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 January	2025 \$'000	2024 \$'000
Investment grade securities	70,773	60,866
Below investment grade securities	36,442	36,393
Unrated securities	167,700	133,719
Other investments	8,302	3,600
<b>Total</b>	<b>283,217</b>	<b>234,578</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 January 2025	Forward currency contracts \$'000
State Street Bank	(11)
<b>Total</b>	<b>(11)</b>

# Financial statements and notes

as at 31 January 2024	Forward currency contracts \$'000
State Street Bank	(3)
<b>Total</b>	<b>(3)</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 January 2025 and 31 January 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 January	2025 \$'000	2025 %	2024 \$'000	2024 %
Lowest	177,502	91.08	177,258	93.72
Highest	218,854	101.99	242,147	114.50
Average	196,873	94.31	207,193	103.19

## 21 Exchange rate risk for hedged share classes

This fund contains hedged share classes. These share classes operate currency hedges designed to reduce the impact of exchange rates in certain circumstances. As a result, profit and loss on the currency hedges may impact the liquidity of the overall fund. On a day to day basis this is monitored using reporting from the outsourced provider of the hedged share class service. On an ongoing basis the size of the hedged share classes is monitored to ensure that unforeseen exchange rate volatility can be adequately managed without significantly impacting all shareholders. The exposure to forward currency contracts for share class hedging at the year-end accounting date is disclosed in the portfolio statement on page 43.

## 22 Interest distribution tables

This fund pays annual interest distributions and the following table sets out the distribution period.

### Annual distribution period

	Start	End	Xd	Payment
Final	01.02.24	31.01.25	03.02.25	31.03.25

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

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

# Financial statements and notes

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

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	3.4413	3.4933	6.9346	6.7840

## Sterling Class 'A' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	3.1948	3.7648	6.9596	6.6556

## Sterling Class 'A-H' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	2.3195	1.7913	4.1108	3.9841

## Sterling Class 'I' Income shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	34.5596	24.6855	59.2451	57.7254

## Sterling Class 'I' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	4.8617	3.8910	8.7527	8.2712

# Financial statements and notes

## Sterling Class 'I-H' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.4646	3.6078	5.0724	4.8490

## Sterling Class 'PP' Income shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	2.8912	1.1007	3.9919	3.8839

## Sterling Class 'PP' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	2.4636	1.8071	4.2707	4.0191

## Sterling Class 'R' Income shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	3.7465	2.0568	5.8033	5.6718

## Sterling Class 'R' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	3.2588	2.4180	5.6768	5.4035

## Sterling Class 'R-H' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	2.5728	1.9978	4.5706	4.3958

# Financial statements and notes

## 23 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 31 July 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 that of the Bloomberg Global Aggregate Corporate Index (GBP Hedged) over any five-year period.

## Investment policy

At least 80% of the fund is invested directly in investment grade corporate bonds including investment grade asset-backed securities. These securities may be issued by companies that are domiciled in any country, including emerging markets.

The investment grade corporate bonds may be denominated in any currency and currency exposure is typically hedged back to GBP.

The fund may also invest in:

- below investment grade corporate bonds;
- bonds issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns and supranational bodies;
- below investment grade asset-backed securities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

The fund may invest in unrated debt securities, and the fund manager's opinion of the credit rating shall be used for the purposes of the above tests.

Investments in asset-backed securities are limited to 20% of the fund. Investments in contingent convertible debt securities are limited to 20% of the fund.

Derivatives (including total return swaps) may be used for investment purposes, efficient portfolio management and hedging.

## Investment approach

The fund is globally diversified and seeks to provide exposure to a broad range of issuers across a variety of sectors.

The fund manager has the flexibility to adjust the fund's credit exposure, sector positioning and regional allocations based on the assessment of current market valuations and the macroeconomic environment.

Individual credit selection based on bottom-up analysis of the global corporate bond market by in-house credit analysts complements the fund managers' views.

## Benchmark

Bloomberg Global Aggregate Corporate Index (GBP Hedged)

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

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

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 period from 19 January 2024 (the launch date of the fund) to 31 January 2025

### Performance against objective

Over the period from 19 January 2024 to 31 January 2025, the M&G Global Corporate Bond Fund delivered positive total returns (the combination of capital growth and income) across all its sterling share classes. The fund's Sterling Class 'L' shares outperformed the fund's benchmark, the Bloomberg Global Aggregate Corporate Index (GBP Hedged), while the Sterling Class 'A', 'I', 'PP' and 'R' shares underperformed. The benchmark returned 5.0% over the period.

The fund was launched on 19 January 2024, so it is too early to say whether it has met its objective of outperforming the benchmark over a 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.

### Market review

Post the rally in late 2023, the global bond market came under pressure in the first part of the review period as sticky inflation delayed the timing of central bank rate cuts. Political and geopolitical concerns unsettled investors, adding to the pressure, as the markets adjusted their expectations for the path of the cuts. As inflation showed signs of improvement and began to stabilise from the third quarter of 2024, central banks embarked on their interest rate easing cycle, with the European Central Bank (ECB) lowering its rate first, followed by the US Federal Reserve and Bank of England in subsequent months.

US treasuries experienced heightened volatility due to the elections, and post Trump's victory, the long-term yields spiked on fears that his policies could be inflationary, resulting in higher government borrowing. A 'tax and spend' budget by the new Labour government in the UK sparked concerns over growth and inflation and put pressure on UK gilts, while European bonds were affected by political turmoil in the region, especially in France.

US Treasuries and German bunds were up 1.2% and 0.8% respectively over the period, whereas UK gilts declined by 0.5%. Investment grade corporate bonds did well over the period, but delivered less than the yield they promised at the start of 2024, despite credit spreads moving meaningfully higher. Returns from global investment grade bonds were 4.0% in the period under review, with European corporate bonds outperforming their UK and US counterparts, while high yield global bonds returned 9.8% for the period. The global investment grade index closed the period with a yield of 4.6%.

# Authorised Corporate Director's Report

Security selection was the biggest driver of the fund's relative performance over the period, with holdings in consumer goods companies such as Philip Morris, BAT and JBS and bonds from utilities companies such as Thames Water and Essential Utilities the main contributors.

In absolute terms, financials such as Morgan Stanley, Intesa Sanpaolo and UBS and energy holdings Keyspan Gas East and Eversource Energy led the pack.

Corporate bonds that detracted from relative performance included those from Tesco and HSBC.

## Fund positioning

The fund has around 76% invested in investment grade corporate bond funds, just over 0.2% in high yield bonds and around 12% in government bonds. In our view, the environment is better for owning fixed income yields overall in Europe/UK versus the US, with the tailwind of rate cuts to come. And with fiscal risks very much present in US, UK, France, and Germany, it remains a strategic view to be cautious in long-dated bonds. We remain long (+0.5 year) in euros and in sterling (+0.2 years), and have small long exposures in Canada and Australia. We remain positioned for economic and central bank policy divergence in rates. We continue to see good opportunities in government bond yields and we remain up in quality and very defensively positioned in credit. During the period, we moved away from bonds with maturities between one and three years, as we saw fewer opportunities in these types of bonds, preferring instead maturities between three and 10 years.

## Investment activities

Most of our activity over the period focused on improving the credit quality of what the fund holds and switching out of longer-dated bonds in favour of bonds of shorter maturities.

In the earlier phase of the period, we bought new issues offering attractive premia, including bonds from Swiss healthcare manufacturer Lonza Finance,

European diagnostics firm Werfen, German conglomerate JAB, and aerospace company Boeing (the last three were later sold). Other new issues that we bought were American utility company Centerpoint Energy Resources and printing technology company DCC. We also participated in high quality real estate investment trust (REIT) deals and continued adding to our covered bond allocation through a Nationwide Building Society euro deal and took allocation to Schneider Electric and Teleperformance. At the start of 2025, we bought some of the really high-quality corporates including Microsoft, Apple, Coca-Cola, Walmart, Chubb, Honeywell, Siemens, as well as Verallia and Triodos Bank, given the extremely low credit risk profile of these companies and in exchange for an extra 40-60 basis points over US treasuries.

On the other hand, over the period, we sold out of most of our French bank paper following volatility caused by the snap elections that were called in June by President Macron and the continued political uncertainty in France. We also sold Thames Water as well as Boeing. In the latter part of the review period, we sold Southern Water bonds given a less positive fundamental view from the analyst and concerns about what may lie ahead.

## Outlook

Credit markets are observing significant levels of spread compression, meaning not much upside for the risk being taken for buying low-quality versus high-quality credit. We find it prudent to refrain from taking on additional risk as the incremental returns do not justify the potential downsides.

Amid ongoing concerns surrounding President Donald Trump's policies on tariffs and the broader implications for inflation, it is crucial to remember that we are still operating under a restrictive monetary policy regime. The monetary policy works with a lag, taking time to exert its full effects, suggesting that the current economic slowdown is likely to persist in the near term.



# Authorised Corporate Director's Report

In our opinion, the interplay between restrictive monetary policy, lagging economic indicators, and controlled inflationary pressures all point towards a scenario where bonds perform well from here.

## **Ben Lord and Mario Eisenegger**

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 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income</b>	<b>196,901</b>	<b>95.51</b>
<b>Debt securities</b>	<b>196,756</b>	<b>95.44</b>
<b>'AAA' credit rated bonds</b>	<b>29,449</b>	<b>14.28</b>
US\$2,000,000 Apple, Inc. 3.45% 09/02/2045	1,236	0.60
AU\$1,800,000 Australia Government Bonds 1.75% 21/06/2051	477	0.23
AU\$1,056,000 Australia Government Bonds 2.75% 21/06/2035	455	0.22
€200,000 Banco BPI SA 3.25% 22/03/2030	170	0.08
€1,500,000 BPCE SFH SA 3% 20/02/2029	1,266	0.61
€400,000 BPCE SFH SA 3.125% 22/05/2034	336	0.16
€800,000 Bundesrepublik Deutschland Bundesanleihe 2.3% 15/02/2033	666	0.32
€425,000 Bundesrepublik Deutschland Bundesanleihe 2.4% 15/11/2030	358	0.17
CA\$1,080,000 Canada Government Bonds 2% 01/12/2051	462	0.22
€940,000 Commerzbank AG 3% 13/03/2034	792	0.38
€1,800,000 Cooperatieve Rabobank UA 0.125% 01/12/2031	1,260	0.61
€1,600,000 Coventry Building Society 2.625% 01/10/2029	1,331	0.65
€700,000 Credit Agricole Home Loan SFH SA 3% 01/12/2030	589	0.29
€900,000 Credit Agricole Home Loan SFH SA 3% 11/12/2032	753	0.37
€500,000 Credit Agricole Public Sector SCF SA 2.75% 24/07/2029	418	0.20
€597,000 Johnson & Johnson 3.2% 01/06/2032	508	0.25
US\$988,237 Kreditanstalt fuer Wiederaufbau 1.25% 31/01/2025	796	0.39
£655,000 Lloyds Bank PLC 4.875% 30/03/2027	658	0.32
£1,580,000 Lloyds Bank PLC 5.125% 07/03/2025	1,580	0.77
US\$2,000,000 Microsoft Corp. 2.525% 01/06/2050	989	0.48
£830,000 National Australia Bank Ltd. FRN 5.327% 17/06/2026	832	0.40
€940,000 Nationwide Building Society 3.309% 02/05/2034	808	0.39
€401,000 New York Life Global Funding 0.25% 04/10/2028	307	0.15
€2,389,000 New York Life Global Funding 3.625% 09/01/2030	2,061	1.00
US\$3,112,000 New York Life Global Funding 4.9% 13/06/2028	2,516	1.22
€2,000,000 Northwestern Mutual Global Funding 4.109% 15/03/2030	1,769	0.86
£1,721,000 Northwestern Mutual Global Funding 4.88% 12/12/2029	1,745	0.85
US\$940,000 Northwestern Mutual Global Funding 5.16% 28/05/2031	761	0.37
€800,000 Novo Banco SA 2.75% 04/02/2030	669	0.33
€750,000 Royal Bank of Canada 2.75% 04/02/2030	627	0.30

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'AAA' credit rated bonds (continued)</b>		
€331,000 Santander U.K. PLC 2.875% 12/01/2032	277	0.13
€451,000 Santander U.K. PLC 3% 12/03/2029	381	0.19
€250,000 TSB Bank PLC 3.319% 05/03/2029	214	0.10
€389,000 Yorkshire Building Society 2.75% 28/01/2030	325	0.16
€1,250,000 Yorkshire Building Society 3% 16/04/2031	1,057	0.51
	<b>44,528</b>	<b>21.60</b>
<b>'AA' credit rated bonds</b>		
US\$640,000 Accenture Capital, Inc. 4.5% 04/10/2034	491	0.24
€1,000,000 Banca Monte dei Paschi di Siena SpA 3.375% 16/07/2030	852	0.41
€200,000 Banco Santander SA 3.125% 28/05/2029	170	0.08
€500,000 Banco Santander Totta SA 3.25% 15/02/2031	427	0.21
€650,000 Berkshire Hathaway Finance Corp. 2% 18/03/2034	490	0.24
US\$640,000 Cisco Systems, Inc. 4.85% 26/02/2029	519	0.25
US\$640,000 Cisco Systems, Inc. 4.95% 26/02/2031	518	0.25
€200,000 Credit Agricole Italia SpA 3.5% 15/07/2033	172	0.08
€500,000 Credit Agricole Italia SpA 3.5% 11/03/2036	425	0.21
€640,000 DNB Bank ASA Var 4% 14/03/2029	554	0.27
€231,000 Fingrid OYJ 2.75% 04/12/2029	192	0.09
€2,000,000 French Republic Government Bonds OAT 0.5% 25/05/2040	1,078	0.52
€258,000 Iccrea Banca SpA 3.5% 04/03/2032	220	0.11
€400,000 L'Oreal SA 2.875% 06/11/2031	335	0.16
€600,000 LVMH Moet Hennessy Louis Vuitton SE 3.375% 05/02/2030	515	0.25
€1,582,000 MassMutual Global Funding II 3.75% 19/01/2030	1,371	0.66
£228,000 MassMutual Global Funding II 4.625% 05/10/2029	227	0.11
US\$900,000 MassMutual Global Funding II 5.15% 30/05/2029	734	0.36
US\$1,220,000 Meta Platforms, Inc. 3.85% 15/08/2032	915	0.44
£689,000 Metropolitan Life Global Funding I 1.625% 12/10/2028	620	0.30
US\$1,441,000 Metropolitan Life Global Funding I 2.95% 09/04/2030	1,052	0.51
US\$240,000 Metropolitan Life Global Funding I 3% 19/09/2027	185	0.09
US\$799,000 Metropolitan Life Global Funding I 4.3% 25/08/2029	626	0.30
US\$1,876,000 Metropolitan Life Global Funding I 5.15% 28/03/2033	1,496	0.73

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'AA' credit rated bonds (continued)</b>		
US\$691,000 Metropolitan Life Global Funding I 5.4% 12/09/2028	565	0.27
US\$516,000 NBN Co. Ltd. 5.75% 06/10/2028	427	0.21
£900,000 Nestle Capital Corp. 4.5% 22/03/2029	901	0.44
US\$500,000 Nordea Bank Abp 4.375% 10/09/2029	393	0.19
US\$640,000 Novartis Capital Corp. 3.8% 18/09/2029	498	0.24
€451,000 Novo Nordisk Finance Netherlands BV 3.25% 21/01/2031	384	0.19
£1,000,000 Pacific Life Global Funding II 5.375% 30/11/2028	1,019	0.49
US\$394,000 Protective Life Global Funding 5.215% 12/06/2029	320	0.16
US\$600,000 Protective Life Global Funding 5.432% 14/01/2032	486	0.24
US\$1,612,000 Roche Holdings, Inc. 1.93% 13/12/2028	1,174	0.57
US\$510,000 Siemens Financieringsmaatschappij NV 1.7% 11/03/2028	376	0.18
€700,000 Siemens Financieringsmaatschappij NV 3.125% 22/05/2032	593	0.29
£2,400,000 U.K. Gilts 0.5% 31/01/2029	2,086	1.01
£925,000 U.K. Gilts 0.875% 31/07/2033	694	0.34
£2,350,000 U.K. Gilts 1.25% 31/07/2051	1,057	0.51
£1,000,000 U.K. Gilts 1.75% 22/01/2049	546	0.26
US\$19,466,200 U.S. Treasury Bonds 1.125% 15/08/2040	9,441	4.58
US\$17,352,100 U.S. Treasury Bonds 1.25% 15/05/2050	6,672	3.24
US\$343,100 U.S. Treasury Inflation-Indexed Bonds 0.625% 15/02/2043	283	0.14
£371,000 UBS AG 7.75% 10/03/2026	382	0.19
€800,000 UniCredit SpA 3.5% 31/07/2030	689	0.33
£900,000 Walmart, Inc. 5.625% 27/03/2034	952	0.46
US\$500,000 Westpac New Zealand Ltd. 5.195% 28/02/2029	406	0.20
<b>'A' credit rated bonds</b>	<b>64,360</b>	<b>31.22</b>
US\$1,147,000 AbbVie, Inc. 3.2% 21/11/2029	861	0.42
€500,000 Aena SME SA 4.25% 13/10/2030	441	0.21
€500,000 Air Liquide Finance SA 3.375% 29/05/2034	427	0.21
US\$500,000 Air Products & Chemicals, Inc. 4.8% 03/03/2033	395	0.19
US\$1,156,000 American Water Capital Corp. 3.75% 01/09/2028	898	0.44
US\$300,000 American Water Capital Corp. 6.593% 15/10/2037	268	0.13

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'A' credit rated bonds (continued)</b>		
€200,000 Anheuser-Busch InBev SA 3.75% 22/03/2037	170	0.08
€236,000 Arion Banki Hf. 4.625% 21/11/2028	205	0.10
US\$940,000 Athene Global Funding 4.721% 08/10/2029	738	0.36
US\$940,000 Athene Global Funding 4.86% 27/08/2026	756	0.37
€640,000 Avinor AS 3.5% 29/05/2034	540	0.26
€300,000 Ayvens SA 3.875% 22/02/2027	256	0.12
€700,000 Banco de Sabadell SA 3.25% 05/06/2034	597	0.29
£500,000 Banco Santander SA 5.375% 17/01/2031	506	0.25
£200,000 Bank of America Corp. Var 1.667% 02/06/2029	181	0.09
€882,000 Bank of America Corp. Var 3.261% 28/01/2031	740	0.36
US\$801,000 Bank of America Corp. Var 4.271% 23/07/2029	631	0.31
US\$693,000 Bank of America Corp. Var 5.202% 25/04/2029	563	0.27
US\$330,000 Bank of America Corp. Var 6.204% 10/11/2028	275	0.13
US\$640,000 Bank of New York Mellon Corp. Var 5.06% 22/07/2032	515	0.25
£300,000 Banque Federative du Credit Mutuel SA 5.375% 25/05/2028	304	0.15
US\$400,000 Barclays PLC Var 7.437% 02/11/2033	357	0.17
€800,000 Belfius Bank SA 3.125% 30/01/2031	669	0.32
£300,000 BMW International Investment BV 4.75% 04/09/2030	299	0.14
US\$400,000 BNP Paribas SA Var 5.335% 12/06/2029	325	0.16
€600,000 BP Capital Markets BV 3.36% 12/09/2031	502	0.24
US\$1,580,000 Burlington Northern Santa Fe LLC 4.9% 01/04/2044	1,172	0.57
€240,000 Caterpillar Financial Services Corp. 3.023% 03/09/2027	202	0.10
US\$672,000 CenterPoint Energy Resources Corp. 5.4% 01/07/2034	540	0.26
€1,250,000 Chubb INA Holdings LLC 1.4% 15/06/2031	939	0.46
US\$1,080,000 Cintas Corp. No. 2 4% 01/05/2032	816	0.40
US\$300,000 Citigroup, Inc. Var 3.98% 20/03/2030	231	0.11
US\$1,500,000 Coca-Cola Co. 2.875% 05/05/2041	885	0.43
US\$741,000 Comcast Corp. 3.25% 01/11/2039	454	0.22
US\$829,000 Comcast Corp. 3.4% 01/04/2030	621	0.30
US\$1,151,000 Comcast Corp. 3.75% 01/04/2040	748	0.36

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'A' credit rated bonds (continued)</b>		
€1,150,000 Compass Group PLC 3.25% 16/09/2033	960	0.47
£300,000 Cooperatieve Rabobank UA Var 4.875% 17/04/2029	301	0.15
€1,200,000 Credit Agricole SA 4.125% 07/03/2030	1,055	0.51
US\$270,000 CSL Finance PLC 4.625% 27/04/2042	191	0.09
€1,000,000 Danske Bank AS Var 4.125% 10/01/2031	878	0.43
US\$500,000 Deutsche Bank AG 5.414% 10/05/2029	409	0.20
€1,000,000 DNB Bank ASA Var 3% 29/11/2030	834	0.40
€286,000 DSM BV 3.625% 02/07/2034	243	0.12
US\$1,080,000 Duke Energy Progress LLC 5.1% 15/03/2034	861	0.42
US\$1,005,000 Eli Lilly & Co. 3.375% 15/03/2029	775	0.38
US\$751,000 Entergy Texas, Inc. 1.75% 15/03/2031	503	0.24
US\$52,000 FirstEnergy Pennsylvania Electric Co. 5.2% 01/04/2028	42	0.02
US\$689,000 GlaxoSmithKline Capital, Inc. 3.875% 15/05/2028	542	0.26
US\$649,000 Goldman Sachs Group, Inc. Var 1.992% 27/01/2032	435	0.21
€210,000 Hamburg Commercial Bank AG 4.75% 02/05/2029	185	0.09
US\$1,500,000 Home Depot, Inc. 3.3% 15/04/2040	944	0.46
€1,400,000 Honeywell International, Inc. 3.375% 01/03/2030	1,186	0.58
£540,000 HSBC Holdings PLC Var 3% 29/05/2030	495	0.24
€448,000 Illinois Tool Works, Inc. 3.375% 17/05/2032	380	0.18
€1,600,000 ING Groep NV Var 0.25% 18/02/2029	1,230	0.60
€200,000 ING Groep NV Var 3.375% 19/11/2032	168	0.08
¥63,750,000 Japan Government Thirty Year Bonds 0.7% 20/12/2051	230	0.11
US\$113,000 Jersey Central Power & Light Co. 5.1% 15/01/2035	89	0.04
US\$597,000 John Deere Capital Corp. 5.1% 11/04/2034	481	0.23
US\$1,220,000 JPMorgan Chase & Co. Var 2.069% 01/06/2029	898	0.44
US\$1,220,000 JPMorgan Chase & Co. Var 2.739% 15/10/2030	890	0.43
US\$940,000 JPMorgan Chase & Co. Var 3.782% 01/02/2028	742	0.36
€411,000 JT International Financial Services BV 3.625% 11/04/2034	340	0.16
€301,000 Jyske Bank AS Var 2.875% 05/05/2029	250	0.12
US\$536,000 KBC Group NV Var 5.796% 19/01/2029	441	0.21

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'A' credit rated bonds (continued)</b>		
€750,000 Medtronic Global Holdings SCA 3.375% 15/10/2034	630	0.31
US\$1,000,000 Mizuho Financial Group, Inc. Var 5.778% 06/07/2029	824	0.40
US\$1,668,000 Morgan Stanley Var 0.985% 10/12/2026	1,301	0.63
€595,000 Morgan Stanley Var 3.79% 21/03/2030	511	0.25
US\$459,000 Morgan Stanley Var 4.21% 20/04/2028	365	0.18
US\$600,000 Morgan Stanley Var 5.656% 18/04/2030	493	0.24
€545,000 Motability Operations Group PLC 3.625% 24/07/2029	466	0.23
£354,000 Motability Operations Group PLC 5.75% 17/06/2051	343	0.17
£154,000 National Gas Transmission PLC 5.75% 05/04/2035	155	0.07
US\$751,000 National Rural Utilities Cooperative Finance Corp. 5.8% 15/01/2033	625	0.30
€600,000 Nationwide Building Society Var 3.77% 27/01/2036	504	0.24
€640,000 NatWest Group PLC Var 3.673% 05/08/2031	548	0.27
US\$961,000 NatWest Group PLC Var 5.808% 13/09/2029	790	0.38
€336,000 Oncor Electric Delivery Co. LLC 3.5% 15/05/2031	285	0.14
US\$1,500,000 PepsiCo, Inc. 2.625% 21/10/2041	841	0.41
US\$130,000 Pfizer Investment Enterprises Pte. Ltd. 4.45% 19/05/2028	104	0.05
€1,279,000 Philip Morris International, Inc. 1.875% 06/11/2037	844	0.41
US\$997,000 Philip Morris International, Inc. 4.875% 15/02/2028	806	0.39
US\$595,000 Philip Morris International, Inc. 5.25% 07/09/2028	487	0.24
US\$529,000 Philip Morris International, Inc. 5.625% 17/11/2029	439	0.21
US\$1,000,000 Piedmont Natural Gas Co., Inc. 5.1% 15/02/2035	784	0.38
US\$1,000,000 Potomac Electric Power Co. 5.2% 15/03/2034	800	0.39
US\$223,000 Principal Life Global Funding II 4.6% 19/08/2027	179	0.09
€534,000 Prologis Euro Finance LLC 4% 05/05/2034	458	0.22
€215,000 Prologis International Funding II SA 4.375% 01/07/2036	187	0.09
€200,000 Raiffeisen Bank International AG Var 3.875% 03/01/2030	170	0.08
€685,000 Royal Bank of Canada 4.375% 02/10/2030	612	0.30
US\$640,000 Royal Bank of Canada Var 4.969% 02/08/2030	514	0.25
€200,000 RTE Reseau de Transport d'Electricite SADIR 2.875% 02/10/2028	167	0.08
€200,000 Schneider Electric SE 3.125% 13/10/2029	169	0.08

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %	
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'A' credit rated bonds (continued)</b>			
€100,000 Skandinaviska Enskilda Banken AB 4% 09/11/2026	85	0.04	
US\$250,000 Skandinaviska Enskilda Banken AB 5.375% 05/03/2029	204	0.10	
US\$1,121,000 SMBC Aviation Capital Finance DAC 5.7% 25/07/2033	912	0.44	
US\$1,880,000 Southern California Edison Co. 2.25% 01/06/2030	1,297	0.63	
US\$640,000 Southern California Edison Co. 2.85% 01/08/2029	463	0.22	
US\$460,000 Southwestern Public Service Co. 6% 01/06/2054	372	0.18	
US\$640,000 State Street Corp. Var 4.164% 04/08/2033	481	0.23	
€1,200,000 Svenska Handelsbanken AB 0.5% 18/02/2030	885	0.43	
US\$475,000 Svenska Handelsbanken AB 5.5% 15/06/2028	390	0.19	
£250,000 Swedbank AB Var 5.875% 24/05/2029	257	0.12	
€592,000 Swisscom Finance BV 3.5% 29/11/2031	507	0.25	
US\$640,000 Target Corp. 4.5% 15/09/2034	490	0.24	
£219,000 Toyota Finance Australia Ltd. 4.625% 29/03/2028	218	0.11	
US\$421,000 U.S. Bancorp Var 5.384% 23/01/2030	343	0.17	
US\$1,411,000 UBS Group AG Var 3.126% 13/08/2030	1,043	0.51	
US\$997,000 UBS Group AG Var 5.428% 08/02/2030	811	0.39	
US\$380,000 UBS Group AG Var 6.246% 22/09/2029	318	0.15	
US\$1,580,000 Union Pacific Corp. 2.8% 14/02/2032	1,108	0.54	
US\$600,000 UnitedHealth Group, Inc. 3.5% 15/08/2039	385	0.19	
€318,000 Volkswagen Financial Services AG 3.875% 10/09/2030	270	0.13	
€200,000 Volkswagen Financial Services AG 3.875% 19/11/2031	168	0.08	
US\$605,000 Wells Fargo & Co. Var 2.188% 30/04/2026	484	0.23	
US\$851,000 Wells Fargo & Co. Var 2.572% 11/02/2031	607	0.29	
US\$256,000 Wells Fargo & Co. Var 4.478% 04/04/2031	200	0.10	
US\$800,000 Wells Fargo & Co. Var 5.574% 25/07/2029	656	0.32	
<b>'BBB' credit rated bonds</b>		<b>57,947</b>	<b>28.11</b>
€500,000 ABN AMRO Bank NV 4.25% 21/02/2030	439	0.21	
US\$500,000 ABN AMRO Bank NV Var 5.515% 03/12/2035	396	0.19	
US\$932,000 AEP Texas, Inc. 3.95% 01/06/2028	727	0.35	
US\$640,000 AEP Texas, Inc. 5.45% 15/05/2029	524	0.25	



# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'BBB' credit rated bonds (continued)</b>		
US\$640,000 AEP Texas, Inc. 5.7% 15/05/2034	518	0.25
US\$481,000 AerCap Ireland Capital DAC/AerCap Global Aviation Trust 3% 29/10/2028	360	0.17
US\$900,000 AIB Group PLC Var 5.871% 28/03/2035	731	0.35
US\$640,000 American International Group, Inc. 5.125% 27/03/2033	510	0.25
€215,000 Amvest RCF Custodian BV 3.875% 25/03/2030	180	0.09
€350,000 Aptiv Swiss Holdings Ltd. 4.25% 11/06/2036	294	0.14
€200,000 Arkema SA 4.25% 20/05/2030	176	0.09
£520,000 Aroundtown SA 3% 16/10/2029	452	0.22
€385,000 Australia Pacific Airports Melbourne Pty. Ltd. 4% 07/06/2034	332	0.16
€412,000 Autostrade per l'Italia SpA 4.25% 28/06/2032	355	0.17
€211,000 Avery Dennison Corp. 3.75% 04/11/2034	176	0.09
€200,000 Banco de Credito Social Cooperativo SA Var 4.125% 03/09/2030	172	0.08
US\$689,000 BAT Capital Corp. 2.259% 25/03/2028	512	0.25
US\$715,000 BAT Capital Corp. 6.421% 02/08/2033	609	0.30
US\$521,000 Bayer U.S. Finance II LLC 4.625% 25/06/2038	351	0.17
US\$293,000 Bimbo Bakeries USA, Inc. 5.375% 09/01/2036	228	0.11
US\$345,000 CaixaBank SA Var 6.208% 18/01/2029	286	0.14
US\$741,000 CaixaBank SA Var 6.684% 13/09/2027	613	0.30
€200,000 CBRE Global Investors Open-Ended Funds SCA SICAV-SIF-Pan European Core Fund 4.75% 27/03/2034	176	0.09
US\$330,000 Charter Communications Operating LLC/Charter Communications Operating Capital 2.3% 01/02/2032	211	0.10
US\$602,000 Charter Communications Operating LLC/Charter Communications Operating Capital 5.25% 01/04/2053	391	0.19
€224,000 Coca-Cola Europacific Partners PLC 3.25% 21/03/2032	187	0.09
US\$640,000 Concentrix Corp. 6.6% 02/08/2028	533	0.26
US\$420,000 Constellation Energy Generation LLC 6.5% 01/10/2053	357	0.17
€236,000 DCC Group Finance Ireland DAC 4.375% 27/06/2031	205	0.10
€600,000 Deutsche Bank AG Var 4.125% 04/04/2030	515	0.25
£200,000 Deutsche Pfandbriefbank AG 7.625% 08/12/2025	201	0.10
€500,000 Digital Dutch Finco BV 1.5% 15/03/2030	379	0.18

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'BBB' credit rated bonds (continued)</b>		
US\$290,000 Dominion Energy, Inc. 2.25% 15/08/2031	195	0.09
US\$887,000 Dominion Energy, Inc. 3.375% 01/04/2030	658	0.32
US\$681,000 Dominion Energy, Inc. 5.375% 15/11/2032	549	0.27
€500,000 E.ON SE 3.375% 15/01/2031	425	0.21
£400,000 Electricite de France SA 5.5% 25/01/2035	387	0.19
US\$407,000 Electricite de France SA 6.9% 23/05/2053	350	0.17
US\$981,000 Elevance Health, Inc. 4.625% 15/05/2042	687	0.33
US\$700,000 Enel Finance International NV 7.5% 14/10/2032	627	0.30
US\$600,000 Engie SA 5.625% 10/04/2034	484	0.23
€400,000 Equinix Europe 2 Financing Corp. LLC 3.25% 15/03/2031	330	0.16
€276,000 Equinix Europe 2 Financing Corp. LLC 3.65% 03/09/2033	230	0.11
US\$1,142,000 Essential Utilities, Inc. 2.704% 15/04/2030	821	0.40
US\$712,000 Essential Utilities, Inc. 5.375% 15/01/2034	568	0.28
€300,000 Eurobank SA Var 4.875% 30/04/2031	266	0.13
€275,000 Eurofins Scientific SE 0.875% 19/05/2031	192	0.09
US\$1,522,000 Eversource Energy 5.5% 01/01/2034	1,219	0.59
US\$300,000 Exelon Corp. 4.45% 15/04/2046	201	0.10
US\$940,000 Fox Corp. 6.5% 13/10/2033	799	0.39
US\$940,000 Fresenius Medical Care U.S. Finance III, Inc. 2.375% 16/02/2031	628	0.30
€475,000 GELF Bond Issuer I SA 1.125% 18/07/2029	361	0.18
US\$1,179,000 General Electric Co. 6.75% 15/03/2032	1,041	0.50
€213,000 Goodman Australia Finance Pty. Ltd. 4.25% 03/05/2030	185	0.09
£205,000 Great Portland Estates PLC 5.375% 25/09/2031	202	0.10
£292,000 Hammerson PLC 5.875% 08/10/2036	282	0.14
US\$851,000 HCA, Inc. 5.125% 15/06/2039	630	0.31
US\$329,000 Hewlett Packard Enterprise Co. 5% 15/10/2034	259	0.13
€235,000 IHG Finance LLC 4.375% 28/11/2029	206	0.10
€736,000 Imperial Brands Finance Netherlands BV 5.25% 15/02/2031	664	0.32
€313,000 Informa PLC 3.25% 23/10/2030	260	0.13
US\$1,150,000 Intel Corp. 3.05% 12/08/2051	530	0.26

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'BBB' credit rated bonds (continued)</b>		
US\$420,000 Intel Corp. 5.2% 10/02/2033	329	0.16
US\$705,000 International Flavors & Fragrances, Inc. 3.268% 15/11/2040	408	0.20
US\$1,000,000 Intesa Sanpaolo SpA 4% 23/09/2029	761	0.37
US\$600,000 Invitation Homes Operating Partnership LP 4.15% 15/04/2032	447	0.22
€200,000 IPSOS SA 3.75% 22/01/2030	169	0.08
US\$769,000 JBS USA Holding Lux SARL/JBS USA Food Co./JBS Lux Co. SARL 5.75% 01/04/2033	621	0.30
US\$500,000 JBS USA LUX SARL/JBS USA Food Co./JBS USA Foods Group 6.375% 25/02/2055	406	0.20
US\$1,580,000 KeySpan Gas East Corp. 5.994% 06/03/2033	1,293	0.63
€659,000 Koninklijke Philips NV 3.75% 31/05/2032	561	0.27
€610,000 Landsbankinn Hf. 3.75% 08/10/2029	510	0.25
€168,000 Landsbankinn Hf. 6.375% 12/03/2027	149	0.07
US\$421,000 Liberty Utilities Co. 5.577% 31/01/2029	342	0.17
US\$641,000 Liberty Utilities Co. 5.869% 31/01/2034	517	0.25
€500,000 Lonza Finance International NV 3.25% 04/09/2030	420	0.20
€234,000 Lonza Finance International NV 3.875% 24/04/2036	201	0.10
€272,000 Loomis AB 3.625% 10/09/2029	230	0.11
€225,000 Louis Dreyfus Co. Finance BV 3.5% 22/10/2031	187	0.09
€200,000 Mercialis SA 4% 10/09/2031	168	0.08
US\$500,000 Microchip Technology, Inc. 5.05% 15/03/2029	402	0.20
€800,000 Molson Coors Beverage Co. 3.8% 15/06/2032	684	0.33
€164,000 MTU Aero Engines AG 3.875% 18/09/2031	140	0.07
£521,000 National Grid Electricity Transmission PLC 1.375% 16/09/2026	494	0.24
€400,000 National Grid North America, Inc. 3.724% 25/11/2034	334	0.16
US\$380,000 NextEra Energy Capital Holdings, Inc. 2.25% 01/06/2030	266	0.13
US\$925,000 NextEra Energy Capital Holdings, Inc. 2.44% 15/01/2032	622	0.30
US\$1,051,000 Norfolk Southern Corp. 5.05% 01/08/2030	855	0.41
US\$750,000 Oracle Corp. 5.25% 03/02/2032	603	0.29
€300,000 Orano SA 4% 12/03/2031	257	0.12
€204,000 P3 Group SARL 4.625% 13/02/2030	176	0.09
US\$391,440 Pacific Gas & Electric Co. 4.55% 01/07/2030	299	0.15

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'BBB' credit rated bonds (continued)</b>		
US\$590,672 Pacific Gas & Electric Co. 4.95% 01/07/2050	392	0.19
US\$1,400,000 Parker-Hannifin Corp. 3.25% 14/06/2029	1,059	0.51
£264,000 Pearson Funding PLC 5.375% 12/09/2034	261	0.13
€277,000 Permanent TSB Group Holdings PLC Var 6.625% 25/04/2028	249	0.12
US\$640,000 Public Service Enterprise Group, Inc. 5.2% 01/04/2029	520	0.25
US\$675,000 Public Service Enterprise Group, Inc. 6.125% 15/10/2033	567	0.28
€288,000 PVH Corp. 4.125% 16/07/2029	248	0.12
€200,000 Raiffeisen Bank International AG Var 4.625% 21/08/2029	174	0.08
€200,000 Raiffeisen Bank International AG Var 5.25% 02/01/2035	174	0.08
US\$1,481,000 Republic Services, Inc. 5% 15/12/2033	1,172	0.57
US\$571,000 Santander U.K. Group Holdings PLC Var 2.469% 11/01/2028	437	0.21
€200,000 Sartorius Finance BV 4.5% 14/09/2032	178	0.09
€275,000 Scottish Hydro Electric Transmission PLC 3.375% 04/09/2032	230	0.11
€200,000 Solvay SA 4.25% 03/10/2031	172	0.08
US\$600,000 Stellantis Finance U.S., Inc. 2.691% 15/09/2031	402	0.19
US\$586,000 Takeda Pharmaceutical Co. Ltd. 3.025% 09/07/2040	346	0.17
€300,000 Teleperformance SE 4.25% 21/01/2030	251	0.12
€200,000 Teleperformance SE 5.75% 22/11/2031	180	0.09
£1,846,000 Tesco PLC 3.322% 05/11/2025	3,640	1.77
£940,000 Time Warner Cable LLC 5.75% 02/06/2031	921	0.45
€350,000 Timken Co. 4.125% 23/05/2034	295	0.14
€200,000 Traton Finance Luxembourg SA 3.75% 14/01/2031	168	0.08
€500,000 Triodos Bank NV Var 4.875% 12/09/2029	426	0.21
US\$1,000,000 UDR, Inc. 1.9% 15/03/2033	620	0.30
€500,000 Verallia SA 3.875% 04/11/2032	420	0.20
€683,000 Verizon Communications, Inc. 3.5% 28/06/2032	579	0.28
US\$867,000 Verizon Communications, Inc. 4.78% 15/02/2035	666	0.32
€200,000 Vier Gas Transport GmbH 3.375% 11/11/2031	167	0.08
US\$250,000 Warnermedia Holdings, Inc. 4.279% 15/03/2032	177	0.09
€278,000 Warnermedia Holdings, Inc. 4.302% 17/01/2030	234	0.11

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt securities (continued)</b>		
<b>'BBB' credit rated bonds (continued)</b>		
US\$681,000 Warnermedia Holdings, Inc. 5.05% 15/03/2042	440	0.21
US\$354,000 Warnermedia Holdings, Inc. 5.141% 15/03/2052	212	0.10
US\$1,220,000 Waste Connections, Inc. 2.2% 15/01/2032	816	0.40
US\$500,000 Weyerhaeuser Co. 4% 15/11/2029	385	0.19
US\$208,000 Williams Cos., Inc. 6% 15/03/2055	168	0.08
€100,000 Worldline SA 0.875% 30/06/2027	79	0.04
€400,000 Worldline SA 4.125% 12/09/2028	332	0.16
€200,000 Worldline SA 5.25% 27/11/2029	172	0.08
US\$200,000 Yara International ASA 3.148% 04/06/2030	145	0.07
£394,000 Yorkshire Water Finance PLC 5.25% 28/04/2030	387	0.19
£294,000 Yorkshire Water Finance PLC 6.375% 18/11/2034	303	0.15
	<b>472</b>	<b>0.23</b>
<b>'BB' credit rated bonds</b>		
£225,000 Mobico Group PLC Var 4.25% Perpetual	215	0.10
€335,000 SES SA Var 2.875% Perpetual	257	0.13
	<b>145</b>	<b>0.07</b>
<b>Debt derivatives</b>		
<b>Credit default swaps</b>		
US\$1,980,000 America Movil SAB de CV 20/12/2025	9	0.00
€(1,501,400) BAT International Finance PLC 20/12/2026	(21)	(0.01)
€(660,000) Deutsche Bank AG 20/06/2026	(6)	0.00
€1,801,700 iTraxx Europe S38 20/12/2027	28	0.01
€1,000,000 Vodafone Group PLC 20/06/2028	18	0.01
	<b>57</b>	<b>0.03</b>
<b>Interest rate swaps</b>		
€930,000 Pay 2.0382% Receive VAR 21/11/2054	37	0.02
£760,000 Pay 2.0547% Receive VAR 21/04/2029	74	0.04
£1,220,000 Pay 4.2184% Receive VAR 29/01/2055	(2)	0.00
£5,800,000 Pay VAR Receive 3.8141% 12/03/2029	(103)	(0.05)
£4,150,000 Pay VAR Receive 4.2469% 09/01/2030	51	0.02
	<b>60</b>	<b>0.03</b>
<b>Interest rate futures</b>		
183 CBOT 2 Year U.S. Treasury Notes Futures Mar 2025	45	0.02
(34) CBOT 5 Year U.S. Treasury Notes Futures Mar 2025	(27)	(0.01)

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 £'000	as at 31.01.25 %
<b>Fixed income (continued)</b>		
<b>Debt derivatives (continued)</b>		
<b>Interest rate futures (continued)</b>		
66 CBOT 10 Year U.S. Treasury Notes Futures Mar 2025	(1)	0.00
(27) CBOT U.S. Long Bond Futures Mar 2025	(61)	(0.03)
13 CBOT Ultra Long-Term U.S. Treasury Bond Futures Mar 2025	12	0.00
(4) Eurex 5 Year Euro BOBL Futures Mar 2025	(1)	0.00
(63) Eurex 10 Year Euro BUND Futures Mar 2025	54	0.03
214 Eurex 2 Year Euro SCHATZ Futures Mar 2025	(112)	(0.06)
1 Eurex Swiss Federal Bond Futures Mar 2025	(2)	0.00
(31) Long Gilt Futures Mar 2025	13	0.01
56 Montreal Exchange 5 Year Canadian Bond Futures Mar 2025	8	0.00
44 Montreal Exchange 10 Year Canadian Bond Futures Mar 2025	78	0.04
41 Ultra 10 Year U.S. Treasury Notes Futures Mar 2025	54	0.03
<b>Currency</b>	<b>3,168</b>	<b>1.54</b>
<b>Forward currency contracts</b>		
AU\$34,456 Bought for £17,489 (expires 12.02.25)	0	0.00
US\$11,851,025 Bought for £9,709,005 (expires 12.02.25)	(159)	(0.08)
AU\$(1,907,606) Sold for £967,058 (expires 12.02.25)	12	0.01
€(75,509,797) Sold for £63,659,976 (expires 12.02.25)	498	0.24
¥(44,317,486) Sold for £233,353 (expires 12.02.25)	2	0.00
US\$(147,945,391) Sold for £122,029,154 (expires 12.02.25)	2,815	1.37
<b>Total portfolio</b>	<b>200,069</b>	<b>97.05</b>
<b>Net other assets/(liabilities)</b>	<b>6,092</b>	<b>2.95</b>
<b>Net assets attributable to shareholders</b>	<b>206,161</b>	<b>100.00</b>

# Portfolio statement

## Top ten portfolio transactions for the period to 31 January 2025

Largest purchases	£'000
U.S. Treasury Bonds 1.125% 15/08/2040	12,737
U.S. Treasury Bonds 1.25% 15/05/2050	10,895
U.S. Treasury Notes 1.125% 29/02/2028	8,933
U.S. Treasury Inflation-Indexed Bonds 0.375% 15/01/2027	5,352
U.S. Treasury Notes 0.5% 31/10/2027	5,314
New York Life Global Funding 4.9% 13/06/2028	3,996
Tesco PLC 3.322% 05/11/2025	3,685
Waste Connections, Inc. 2.2% 15/01/2032	3,448
Bundesrepublik Deutschland Bundesanleihe 2.3% 15/02/2033	3,292
Union Pacific Corp. 2.8% 14/02/2032	3,158
Other purchases	401,859
<b>Total purchases</b>	<b>462,669</b>

Largest sales	£'000
U.S. Treasury Notes 1.125% 29/02/2028	8,853
U.S. Treasury Notes 0.5% 31/10/2027	5,453
U.S. Treasury Inflation-Indexed Bonds 0.375% 15/01/2027	5,390
U.S. Treasury Bonds 1.25% 15/05/2050	4,074
U.S. Treasury Bonds 1.125% 15/08/2040	3,150
U.K. Gilts 0.375% 22/10/2030	2,871
Waste Connections, Inc. 2.2% 15/01/2032	2,641
Bundesrepublik Deutschland Bundesanleihe 2.3% 15/02/2033	2,601
Verizon Communications, Inc. 2.1% 22/03/2028	2,509
Wells Fargo & Co. 3.35% Var 02/03/2033	2,493
Other sales	227,919
<b>Total sales</b>	<b>267,954</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	+4.4	n/a	n/a	n/a
Class 'A' Accumulation	+4.4	n/a	n/a	n/a
Class 'I' Income	+4.9	n/a	n/a	n/a
Class 'I' Accumulation	+4.9	n/a	n/a	n/a
Class 'L' Income	+5.0	n/a	n/a	n/a
Class 'L' Accumulation	+5.1	n/a	n/a	n/a
Class 'PP' Income	+4.9	n/a	n/a	n/a
Class 'PP' Accumulation	+5.0	n/a	n/a	n/a
Class 'R' Income	+4.6	n/a	n/a	n/a
Class 'R' Accumulation	+4.6	n/a	n/a	n/a
<b>Benchmark</b>	<b>+5.0</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

<sup>a</sup> Not annualised. Performance is for the period from 19 January 2024 to 31 January 2025.

## 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 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.18
Operating charges	(0.88)
Return after operating charges*	4.30
Distributions	(5.09)
Closing NAV	99.21
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	4.30
<b>Other information</b>	
Closing NAV (£'000)	34
Number of shares	34,046
Operating charges (%)	0.85
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	103.93
Lowest share price (UK p)	97.46

## Sterling Class 'A' Accumulation shares

The share class was launched on 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.30
Operating charges	(0.90)
Return after operating charges*	4.40
Distributions	(4.30)
Retained distributions	4.30
Closing NAV	104.40
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	4.40
<b>Other information</b>	
Closing NAV (£'000)	10
Number of shares	9,920
Operating charges (%)	0.85
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	106.70
Lowest share price (UK p)	98.76

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.20
Operating charges	(0.47)
Return after operating charges*	4.73
Distributions	(5.10)
Closing NAV	99.63
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	4.73
<b>Other information</b>	
Closing NAV (£'000)	30
Number of shares	30,222
Operating charges (%)	0.45
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	104.21
Lowest share price (UK p)	97.57

## Sterling Class 'I' Accumulation shares

The share class was launched on 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.31
Operating charges	(0.48)
Return after operating charges*	4.83
Distributions	(4.72)
Retained distributions	4.72
Closing NAV	104.83
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	4.83
<b>Other information</b>	
Closing NAV (£'000)	196
Number of shares	187,255
Operating charges (%)	0.45
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	106.98
Lowest share price (UK p)	98.88

# Financial highlights

## Sterling Class 'L' Income shares

The share class was launched on 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.13
Operating charges	(0.26)
Return after operating charges*	4.87
Distributions	(6.60)
Closing NAV	98.27
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	4.87
<b>Other information</b>	
Closing NAV (£'000)	152,831
Number of shares	155,519,936
Operating charges (%)	0.25
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	102.71
Lowest share price (UK p)	96.10

## Sterling Class 'L' Accumulation shares

The share class was launched on 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.31
Operating charges	(0.27)
Return after operating charges*	5.04
Distributions	(4.94)
Retained distributions	4.94
Closing NAV	105.04
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	5.04
<b>Other information</b>	
Closing NAV (£'000)	45,397
Number of shares	43,219,969
Operating charges (%)	0.25
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	107.11
Lowest share price (UK p)	98.92

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.18
Operating charges	(0.36)
Return after operating charges*	4.82
Distributions	(5.10)
Closing NAV	99.72
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	4.82
<b>Other information</b>	
Closing NAV (£'000)	7,540
Number of shares	7,561,169
Operating charges (%)	0.35
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	104.27
Lowest share price (UK p)	97.59

## Sterling Class 'PP' Accumulation shares

The share class was launched on 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.30
Operating charges	(0.37)
Return after operating charges*	4.93
Distributions	(4.83)
Retained distributions	4.83
Closing NAV	104.93
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	4.93
<b>Other information</b>	
Closing NAV (£'000)	10
Number of shares	9,000
Operating charges (%)	0.35
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	107.04
Lowest share price (UK p)	98.89

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.18
Operating charges	(0.73)
Return after operating charges*	4.45
Distributions	(5.09)
Closing NAV	99.36
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	4.45
<b>Other information</b>	
Closing NAV (£'000)	20
Number of shares	20,374
Operating charges (%)	0.70
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	104.03
Lowest share price (UK p)	97.50

## Sterling Class 'R' Accumulation shares

The share class was launched on 19 January 2024.

for the period to 31 January Change in NAV per share	2025 UK p
Opening NAV	100.00
Return before operating charges*	5.30
Operating charges	(0.75)
Return after operating charges*	4.55
Distributions	(4.45)
Retained distributions	4.45
Closing NAV	104.55
*after direct transaction cost of	0.01
<b>Performance</b>	
Return after charges (%)	4.55
<b>Other information</b>	
Closing NAV (£'000)	93
Number of shares	88,451
Operating charges (%)	0.70
Direct transaction costs (%)	0.01
<b>Prices</b>	
Highest share price (UK p)	106.80
Lowest share price (UK p)	98.80

# Financial statements and notes

## Financial statements

### Statement of total return

for the period to 31 January	Note	2025	
		£'000	£'000
<b>Income</b>			
Net capital gains/(losses)	3		1,263
Revenue	5	11,968	
Expenses	6	(617)	
Interest payable and similar charges		(3)	
Net revenue/(expense) before taxation		11,348	
Taxation	7	0	
Net revenue/(expense) after taxation			11,348
<b>Total return before distributions</b>			<b>12,611</b>
Distributions	8		(11,939)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>672</b>

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

for the period to 31 January	2025	
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>0</b>
Amounts received on issue of shares	328,422	
Amounts paid on cancellation of shares	(124,231)	
		204,191
Dilution adjustments		475
Change in net assets attributable to shareholders from investment activities (see above)		672
Retained distributions on Accumulation shares		823
<b>Closing net assets attributable to shareholders</b>		<b>206,161</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 January	Note	2025 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments		200,564
<b>Current assets</b>		
Debtors	9	4,175
Cash and bank balances	10	4,366
Cash equivalents		2,835
<b>Total assets</b>		<b>211,940</b>
<b>Liabilities</b>		
Investment liabilities		(495)
<b>Creditors</b>		
Bank overdrafts		(87)
Overdrawn positions at futures clearing houses and collateral manager		(13)
Distribution payable		(1,970)
Other creditors	11	(3,214)
<b>Total liabilities</b>		<b>(5,779)</b>
<b>Net assets attributable to shareholders</b>		<b>206,161</b>

# Financial statements and notes

## Notes to the financial statements

### 1 Accounting policies

The fund's functional and presentational currency is UK sterling as this better reflects the currency of its primary economic environment.

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 period to 31 January	2025 £'000
Non-derivative securities	(188)
Derivative contracts	1,559
Currency gains/(losses)	(108)
<b>Net capital gains/(losses)</b>	<b>1,263</b>



# 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 period to 31 January	2025 £'000	
<b>a) Purchases</b>		
Debt securities	462,669	
<b>b) Sales</b>		
Debt securities	265,942	
<b>Other transaction types</b>		
Corporate actions	2,012	
<b>Total sales</b>	<b>267,954</b>	
	2025 £'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>		
<b>Commissions paid</b>		
Derivatives	12	0.00
<b>Taxes paid</b>		
Derivatives	13	0.01
<b>Total direct portfolio transaction costs</b>	<b>25</b>	<b>0.01</b>
		%
<b>d) Indirect portfolio transaction costs</b>		
Average portfolio dealing spread as at the balance sheet date		0.41

## 5 Revenue

for the period to 31 January	2025 £'000
Bank interest	16
Derivative revenue	49
Interest distributions	237
Interest on debt securities	11,664
Rebate of ongoing charges from underlying funds	2
<b>Total revenue</b>	<b>11,968</b>

# Financial statements and notes

## 6 Expenses

for the period to 31 January	2025 £'000
<b>Payable to the ACD or associate</b>	
Annual charge	617
<b>Total expenses</b>	<b>617</b>

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

## 7 Taxation

for the period to 31 January	2025 £'000
<b>a) Analysis of charge in the period</b>	
Corporation tax	0
Withholding tax	0
Deferred tax (note 7c)	0
<b>Total taxation</b>	<b>0</b>
<b>b) Factors affecting taxation charge for the period</b>	
Net revenue/(expense) before taxation	11,348
Corporation tax at 20%	2,270
<b>Effects of:</b>	
Interest distributions	(2,270)
<b>Total tax charge (note 7a)</b>	<b>0</b>
<b>c) Provision for deferred taxation</b>	
Provision at the start of the period	0
Deferred tax in profit and loss account (note 7a)	0
<b>Provision at the end of the period</b>	<b>0</b>

The fund has not recognised a deferred tax asset in the current financial period.

# 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 period to 31 January	2025	
	Inc £'000	Acc £'000
<b>Interest distributions</b>		
First interim	3,630	0
Second interim	3,206	2
Third interim	3,267	2
Fourth interim	1,824	294
Final	1,970	525
Total net distributions		14,720
Income deducted on cancellation of shares		1,109
Income received on issue of shares		(3,890)
<b>Distributions</b>		<b>11,939</b>
Net revenue/(expense) per statement of total return		11,348
Expenses offset against capital		591
<b>Distributions</b>		<b>11,939</b>

## 9 Debtors

as at 31 January	2025 £'000
Amounts receivable on issues of shares	195
Currency deals outstanding	1,306
Debt security interest receivable	2,651
Derivative revenue receivable	5
Distributions receivable	14
Withholding tax recoverable	4
<b>Total debtors</b>	<b>4,175</b>

## 10 Cash and bank balances

as at 31 January	2025 £'000
Amounts held at futures clearing houses and collateral manager	454
Cash held as bank balances	3,912
<b>Total cash and bank balances</b>	<b>4,366</b>

# Financial statements and notes

## 11 Other creditors

as at 31 January	2025 £'000
Annual charge payable	16
Currency deals outstanding	1,305
Purchases awaiting settlement	1,893
<b>Total other creditors</b>	<b>3,214</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date.

## 13 Shares in issue

The following table shows each class of share in issue during the period. 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 19.01.24	Issued	Movements Cancelled	Converted	Closing 31.01.25
<b>Sterling</b>					
Class 'A' Income	0	35,005	(959)	0	34,046
Class 'A' Accumulation	0	10,920	(1,000)	0	9,920
Class 'I' Income	0	31,490	(1,268)	0	30,222
Class 'I' Accumulation	0	191,697	(4,442)	0	187,255
Class 'L' Income	0	279,410,650	(123,890,714)	0	155,519,936
Class 'L' Accumulation	0	43,263,536	(43,567)	0	43,219,969
Class 'PP' Income	0	7,845,104	(283,935)	0	7,561,169
Class 'PP' Accumulation	0	10,035	(1,035)	0	9,000
Class 'R' Income	0	21,483	(1,109)	0	20,374
Class 'R' Accumulation	0	101,872	(13,421)	0	88,451

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'	0.85
Class 'I'	0.45
Class 'L'	0.25
Class 'PP'	0.35
Class 'R'	0.70

## 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.

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 period end from the ACD, and/or associate, in respect of these rebates are disclosed in note 9.

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 0.04% 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 January	Assets 2025 £'000	Liabilities 2025 £'000
<b>Basis of valuation</b>		
Level 1	23,837	(204)
Level 2	176,727	(291)
Level 3	0	0
	<b>200,564</b>	<b>(495)</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 period to 31 January 2025 was 200%.

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

for the period to 31 January	2025 Utilisation of VaR 200%
Lowest	52.56
Highest	57.01
Average	54.59

## 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 January	2025 £'000
Investment grade securities	196,284
Below investment grade securities	472
Other investments	3,313
<b>Total</b>	<b>200,069</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 January 2025	Swaps £'000	Forward currency contracts £'000	Futures £'000
Bank of America Merrill Lynch	0	393	60
Barclays Bank	79	5	0
BNP Paribas	27	(34)	0
Citigroup	0	36	0
HSBC	0	2,876	0
JPMorgan	(21)	(54)	0
State Street Bank	0	(54)	0
<b>Total</b>	<b>85</b>	<b>3,168</b>	<b>60</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 period ended 31 January 2025 and 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 period to 31 January	2025 £'000	2025 %
Lowest	232,027	130.07
Highest	785,920	453.27
Average	307,792	168.63

# Financial statements and notes

## 21 Interest distribution tables

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

### Quarterly distribution periods

	Start	End	Xd	Payment
First interim	19.01.24	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
Fourth interim	01.08.24	31.10.24	01.11.24	31.12.24
Final	01.11.24	31.01.25	03.02.25	31.03.25

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

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

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

### Sterling Class 'A' Income shares

Interest distributions for the period to 31 January	Group 2		Group 1 & 2 Distribution 2025 UK p
	Income 2025 UK p	Equalisation 2025 UK p	
First interim	0.1548	0.0000	0.1548
Second interim	0.8348	0.3788	1.2136
Third interim	0.5663	0.6850	1.2513
Fourth interim	1.2472	0.0000	1.2472
Final	1.2185	0.0000	1.2185



# Financial statements and notes

## Sterling Class 'A' Accumulation shares

Interest distributions for the period to 31 January	Income 2025 UK p	Group 2 Equalisation 2025 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1272	0.0000	0.1272
Second interim	1.0073	0.0000	1.0073
Third interim	0.2706	0.7836	1.0542
Fourth interim	0.3456	0.7180	1.0636
Final	1.0432	0.0000	1.0432

## Sterling Class 'I' Income shares

Interest distributions for the period to 31 January	Income 2025 UK p	Group 2 Equalisation 2025 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1547	0.0000	0.1547
Second interim	1.2141	0.0000	1.2141
Third interim	0.3270	0.9252	1.2522
Fourth interim	0.6899	0.5693	1.2592
Final	0.6880	0.5357	1.2237

## Sterling Class 'I' Accumulation shares

Interest distributions for the period to 31 January	Income 2025 UK p	Group 2 Equalisation 2025 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1402	0.0000	0.1402
Second interim	0.2054	0.9019	1.1073
Third interim	0.6139	0.5435	1.1574
Fourth interim	0.3616	0.8032	1.1648
Final	0.5433	0.6100	1.1533

# Financial statements and notes

## Sterling Class 'L' Income shares

Interest distributions for the period to 31 January	Income 2025 UK p	Group 2 Equalisation 2025 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1547	1.5709	1.7256
Second interim	1.1067	0.0894	1.1961
Third interim	0.3086	0.9267	1.2353
Fourth interim	0.4447	0.7894	1.2341
Final	0.5940	0.6123	1.2063

## Sterling Class 'L' Accumulation shares

Interest distributions for the period to 31 January	Income 2025 UK p	Group 2 Equalisation 2025 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1464	0.0000	0.1464
Second interim	1.1530	0.0000	1.1530
Third interim	0.3038	0.9043	1.2081
Fourth interim	0.3919	0.8295	1.2214
Final	0.3318	0.8760	1.2078

## Sterling Class 'PP' Income shares

Interest distributions for the period to 31 January	Income 2025 UK p	Group 2 Equalisation 2025 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1549	0.0000	0.1549
Second interim	0.2872	0.9271	1.2143
Third interim	0.6984	0.5569	1.2553
Fourth interim	0.6299	0.6218	1.2517
Final	0.6314	0.5930	1.2244

# Financial statements and notes

## Sterling Class 'PP' Accumulation shares

Interest distributions for the period to 31 January	Income 2025 UK p	Group 2 Equalisation 2025 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1429	0.0000	0.1429
Second interim	1.1262	0.0000	1.1262
Third interim	0.2979	0.8819	1.1798
Fourth interim	1.2006	0.0000	1.2006
Final	1.1781	0.0000	1.1781

## Sterling Class 'R' Income shares

Interest distributions for the period to 31 January	Income 2025 UK p	Group 2 Equalisation 2025 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1546	0.0000	0.1546
Second interim	0.6472	0.5670	1.2142
Third interim	0.4118	0.8385	1.2503
Fourth interim	0.7132	0.5357	1.2489
Final	0.6521	0.5672	1.2193

## Sterling Class 'R' Accumulation shares

Interest distributions for the period to 31 January	Income 2025 UK p	Group 2 Equalisation 2025 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1319	0.0000	0.1319
Second interim	0.7159	0.3287	1.0446
Third interim	0.4467	0.6461	1.0928
Fourth interim	0.7715	0.3259	1.0974
Final	0.7326	0.3524	1.0850

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 31 July 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 that of the MSCI Emerging Markets Index over any five-year period.

## Investment policy

At least 80% of the fund is invested directly in equity securities and equity-related securities of companies across any sector and market capitalisation that are incorporated, domiciled or do most of their business in emerging market countries.

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

The fund may also hold cash and near cash for liquidity purposes.

Derivatives may be used for efficient portfolio management and hedging.

## Investment approach

The fund employs a bottom-up stock picking approach to identify companies whose long-term prospects are, in the fund manager's opinion, being undervalued.

The fund's approach incorporates three elements: return on capital, valuations and corporate governance.

It is the core belief of the fund manager that company-specific factors, in particular their profitability (which is measured in terms of return on capital), drive share prices over the long run.

The fund's country and sector exposure is not influenced by top-down views.

## Benchmark

MSCI Emerging Markets Index

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

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

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 January 2025

### Performance against objective

Over the reporting period the fund delivered positive returns across all share classes. However, it finished below its benchmark, the MSCI Emerging Markets Index, which returned 18.2% over the same period.

Over five years, the unhedged share classes achieved the fund's objective, which is to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than the average of the MSCI Emerging Markets Index over any five-year period, which returned 4.7% pa. The hedged share classes did not meet this objective.

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

Emerging market equities recorded strong gains in sterling terms in the review period. In Asia, better performing markets included China where stockmarkets increased significantly over the review period from their lows in January, when valuations became extremely depressed, in our view. Driving markets higher were announcements by the authorities of stimulus measures aimed at boosting the economy.

Taiwan was thrust higher by the strength of its technology sector. In particular, Taiwan Semiconductor Manufacturing (TSMC), which is a significant constituent of the Taiwanese stockmarket, rallied sharply.

Of the other larger markets, India lagged the benchmark. Valuations seem elevated to us and earnings growth has significantly slowed down. South Korea recorded losses in the period due to political instability. Korean financial markets were rattled as its president, Yoon Suk Yeol, attempted, but failed, to impose martial law at the start of December.

In the EMEA region, South Africa performed well which appeared to be a reflection of improving economic

momentum in the country. Conversely, Saudi Arabia underperformed.

In Latin America, Brazil underperformed significantly and was one of the worst performing markets during the period as investors grew increasingly anxious about the spending plans of left-wing President Lula da Silva's government. Mexico's stockmarket remained weak as the economy braced itself for the impact of trade tariffs, planned by the incoming Trump administration. However, smaller markets in the region performed better.

Against this backdrop, the fund delivered strong gains in the year, but finished behind its benchmark, the MSCI Emerging Markets index.

Relative performance was hurt by our overweight position and stockpicking in Brazil and an underweight position in Taiwan. In Brazil, investors grew concerned about the country's interest rate environment, which hit our more interest-rate sensitive holdings. Conversely, favourable security selection in South Korea added value.

With regards to industry sectors, our underweight exposure to technology along with unfavourable security selection detracted. However, security selection in consumer staples and financials was positive for relative returns. The fund's overweight position in consumer discretionary and security selection in consumer staples also contributed positively.

In terms of individual names, key detractors to the fund's relative performance included above-benchmark exposures to Raizen, Brazil's largest sugar and ethanol producer; Kosmos Energy, a US-listed oil and gas explorer; and Fibra Uno Administracion, a real estate investment trust based in Mexico. Brazil's Raizen underperformed as it reported weaker-than-expected results, which were caused by lower ethanol margins and higher income tax expenses.

Conversely, key contributors included select Chinese stocks like e-commerce companies JD.com and Alibaba; and Trip.com, an online travel company.

# Authorised Corporate Director's Report

Chinese stocks were popular with investors in the review period as they surged ahead on the back of economic stimulus measures and a perception that valuations were appealing.

During the review period, JD.com offered to acquire Dada Nexus, one of China's leading local delivery companies, while Trip.com benefited from increased Chinese inbound and outbound travel. The online travel platform has seen a surge in demand, which has led to higher sales and profits. It is the parent company of Sky Scanner which continues to perform strongly globally.

## Investment activities

We were active during the review period and began several new positions at what we felt were attractive prices. In the first six months of the review period, Prosus, Vale, Bank Rakyat, Localiza and MRV Engenharia were amongst the largest positions we initiated.

Prosus is a global internet and entertainment group and one of the largest technology investors in the world (Naspers is the majority shareholder). Its listed investments include stakes in Tencent, Delivery Hero, Meituan, Trip.com and Remitly. We think the solid balance sheet capacity allows Prosus to drive organic growth and cost-cutting initiatives to narrow the discount to net asset value.

Brazilian miner Vale trades at a 40-50% discount to the majors partly because of historic governance issues involving safety measures at two dams, Sanmarco and Brumadinho. Despite these challenges, it offers an attractive dividend yield and remains one of the lowest-cost premium iron ore producers globally.

Indonesia's Bank Rakyat sold off aggressively during the second quarter of 2024 due to unexpected rate hikes and higher credit costs. However, the bank has a strong core capital ratio, high coverage of non-performing loans and strong underlying profitability.

Localiza, one of Latin America's largest car rental companies, benefits from significant market leadership and competitive advantages. The company became too large following its merger with Unidas in 2022 causing

some disruption in the used car market. We believe that the weakness in the used car market is temporary, and the company is expected to recover and normalize price spreads.

MRV Engenharia is a Brazil-based company engaged in real estate development. The management is implementing a series of measures to recover profitability. These include pricing actions and changes in their land acquisition strategy, supported by improved affordability and favourable government policies.

Holdings to leave the portfolio during the review period included China Construction Bank (CCB) and China Merchants Bank (CMB). CCB had been the standout performer in the China banking space. While still lowly valued we felt reallocating capital after strong performance was prudent. CMB had not performed as strongly as CCB, but the stock had rerated and was trading just below book value, which we felt was at the top end of a reasonable valuation range. Hon Hai was also sold on valuation grounds, following a period of strong performance on the back of artificial intelligence euphoria.

In the second half of the review period, we began holdings in Telkom Indonesia, China Resources Beer and Renew Energy Global.

Telkom Indonesia was derated like many Indonesian stocks in the first half of 2024. The company is a high quality player/operator of critical infrastructure and trades on an attractive yield. Telekom Indonesia's fundamentals are well underpinned and the company is gaining market share in a growing market.

China Resources Beer is a quality company, that despite economic headwinds has continued to grow profitably and take market share. It is cash generative, benefits from premiumisation trends and has zero net debt.

Renew Energy Global is a listed renewables player focused on India. The company is aiming to be a 'one stop shop' for the future of energy in India by delivering decarbonisation solutions across the energy complex.

# Authorised Corporate Director's Report

Conversely, we exited our position in Zai Lab. In China's biotech space, we prefer HUTCHMED and BeiGene over Zai Lab due to the disappointment with Zai Lab's management execution.

Later in the second half, we began holdings in auto parts manufacturer Hyundai Mobis, Chinese financial services firm and broker GF Securities, Mexico-based industrial Orbia Advance and Silicon Motion Technology.

Hyundai Mobis, a major affiliate of Hyundai Motor Group, is improving governance and capital allocation with its 'Value-Up' programme, alongside gains from a changing powertrain mix and presence in profitable markets (most notably the US). We believe Hyundai Motor is well-positioned within the autos industry, with positive market-share trends and a robust model offering (in that it has a proven capability in hybrids and one of the few breakeven EV platforms out there). In our view the risks from the incoming Trump administration are smaller than the risk premium on the stock suggests.

Chinese domestic asset manager and broker GF Securities has benefitted from the stimulus package announced by China in the second half of 2024 and an increase in the number of Chinese individuals opening brokerage accounts to trade equities. We think the cycle continues to improve and returns should follow.

At the start of 2025, we began a new position in Brazil's TIM SA and exited our positions in Naspers, and Kasikornbank.

## Outlook

When we look back at the relative performance of emerging markets (EM) over recent decades, we observe a pattern of alternating fortunes. There have been periods of significant outperformance against the US and global equities. On the other hand, the past ten years have proved challenging. We strongly believe that the current cycle of underperformance could be coming to an end and the tide could well turn back towards emerging markets. Fundamentals are

improving, valuations are undemanding in our view and emerging markets provide a rich investment opportunity set.

In the past, EM companies were focused on growth and many overinvested, destroying capital on unprofitable ventures. We believe companies are now showing much greater capital discipline when committing to new projects and they are also increasingly focused on delivering returns to shareholders in the form of dividends and share buy backs. Over 2024, profitability has stabilised (after a difficult 2023), which we believe is being driven partly by this change in corporate behaviour.

The dispersion among country, sectors and companies is a key reason for investors to consider a diversified active stockpicking fund for their emerging market exposure. Valuations are undemanding in our view. Whilst not as low as at the time of COVID or when China sold off in 2022, we think the current level is an attractive entry point for investors.

We have a consistent, repeatable, diversified stockpicking approach and believe the environment remains good for us to deliver long-term performance.

## Michael Bourke

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 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Equities</b>	<b>828,859</b>	<b>100.16</b>	<b>99.65</b>
<b>Australia</b>	<b>939</b>	<b>0.11</b>	<b>0.00</b>
508,998 Bannerman Energy Ltd.	939	0.11	
<b>Brazil</b>	<b>95,750</b>	<b>11.57</b>	<b>9.78</b>
2,277,049 Banco Bradesco SA	4,294	0.52	
981,518 Banco Bradesco SA Preference Shares	2,033	0.25	
2,057,491 Banco do Brasil SA	9,705	1.17	
1,206,993 Braskem SA Preference Shares	2,888	0.35	
2,309,376 Brava Energia	8,769	1.06	
5,772,897 CCR SA	11,300	1.36	
690,698 Centrais Eletricas Brasileiras SA	4,302	0.52	
1,234,711 Centrais Eletricas Brasileiras SA Preference Shares	8,491	1.03	
1,780,916 Localiza Rent a Car SA	9,622	1.16	
9,296,443 MRV Engenharia e Participacoes SA	9,074	1.10	
19,046,020 Raizen SA Preference Shares	6,338	0.77	
1,316,930 TIM SA	3,512	0.42	
1,642,497 Vale SA	15,422	1.86	
<b>Canada</b>	<b>17,724</b>	<b>2.14</b>	<b>2.87</b>
1,018,990 Lithium Argentina AG	2,680	0.32	
359,069 Teck Resources Ltd.	15,044	1.82	
<b>Chile</b>	<b>0</b>	<b>0.00</b>	<b>0.10</b>
<b>China</b>	<b>232,831</b>	<b>28.14</b>	<b>20.50</b>
395,618 Alibaba Group Holding Ltd. ADR	40,388	4.88	
289,676 Atour Lifestyle Holdings Ltd. ADR	8,201	0.99	
120,049 Baidu, Inc. ADR	11,298	1.37	
69,715 BeiGene Ltd. ADR	15,868	1.92	
377,500 BYD Co. Ltd.	13,466	1.63	
19,714,000 China Communications Services Corp. Ltd.	11,198	1.35	
2,692,500 China Resources Beer Holdings Co. Ltd.	8,130	0.98	
72,342,000 China Tower Corp. Ltd.	10,438	1.26	
11,477,500 China Yongda Automobiles Services Holdings Ltd.	3,763	0.46	
3,668,200 GF Securities Co. Ltd.	4,959	0.60	
4,267,036 Horizon Construction Development Ltd.	666	0.08	



# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Equities (continued)</b>			
<b>China (continued)</b>			
542,420 JD.com, Inc. ADR	22,809	2.76	
391,050 KE Holdings, Inc. ADR	7,180	0.87	
9,430,000 Kunlun Energy Co. Ltd.	9,033	1.09	
452,723 OneConnect Financial Technology Co. Ltd. ADR	1,521	0.18	
2,782,000 Ping An Insurance Group Co. of China Ltd.	15,641	1.89	
1,081,625 Prosus NV	41,967	5.07	
85,825 Trip.com Group Ltd. ADR	6,305	0.76	
<b>Colombia</b>	<b>11,613</b>	<b>1.40</b>	<b>1.45</b>
941,754 Banco Davivienda SA Preference Shares	4,443	0.54	
179,391 Bancolombia SA ADR	7,170	0.86	
<b>Egypt</b>	<b>8,176</b>	<b>0.99</b>	<b>0.45</b>
5,600,012 Commercial International Bank - Egypt (CIB) GDR	8,176	0.99	
<b>Ghana</b>	<b>11,739</b>	<b>1.42</b>	<b>0.00</b>
3,610,514 Kosmos Energy Ltd.	11,739	1.42	
<b>Guernsey</b>	<b>2,151</b>	<b>0.26</b>	<b>0.60</b>
17,329,793 Grit Real Estate Income Group Ltd.	2,151	0.26	
<b>Hong Kong</b>	<b>55,552</b>	<b>6.71</b>	<b>9.14</b>
3,074,600 AIA Group Ltd.	21,542	2.60	
18,363,000 Far East Horizon Ltd.	13,517	1.63	
969,000 Greatview Aseptic Packaging Co. Ltd.	327	0.04	
1,467,825 HUTCHMED China Ltd. <sup>a</sup>	3,958	0.48	
1,151,567 Prudential PLC	9,753	1.18	
979,200 VTech Holdings Ltd.	6,455	0.78	
<b>India</b>	<b>40,320</b>	<b>4.87</b>	<b>2.54</b>
693,582 Axis Bank Ltd.	7,904	0.96	
1,240,686 HDFC Bank Ltd.	24,350	2.94	
1,246,154 ReNew Energy Global PLC	8,066	0.97	
<b>Indonesia</b>	<b>40,200</b>	<b>4.86</b>	<b>2.09</b>
17,071,800 Bank Mandiri Persero Tbk. PT	6,310	0.76	
41,711,100 Bank Rakyat Indonesia Persero Tbk. PT	10,799	1.31	
67,472,700 Ciputra Development Tbk. PT	4,057	0.49	

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Equities (continued)</b>			
<b>Indonesia (continued)</b>			
7,148,652 First Pacific Co. Ltd.	3,965	0.48	
9,491,800 Indofood Sukses Makmur Tbk. PT	4,542	0.55	
104,072,300 Pakuwon Jati Tbk. PT	2,503	0.30	
49,357,100 Telkom Indonesia Persero Tbk. PT	8,024	0.97	
<b>Kazakhstan</b>	<b>4,730</b>	<b>0.57</b>	<b>0.00</b>
800,289 Air Astana JSC GDR	4,730	0.57	
<b>Mexico</b>	<b>33,231</b>	<b>4.02</b>	<b>5.26</b>
16,993,598 Alfa SAB de CV	14,134	1.71	
16,512,093 Controladora AXTEL SAB de CV	273	0.03	
12,713,059 Fibra Uno Administracion SA de CV	13,262	1.60	
10,633,904 Nematik SAB de CV	1,211	0.15	
6,676,410 Orbia Advance Corp. SAB de CV	4,351	0.53	
<b>Pakistan</b>	<b>0</b>	<b>0.00</b>	<b>0.52</b>
<b>Peru</b>	<b>8,054</b>	<b>0.97</b>	<b>0.34</b>
21,560 Credicorp Ltd.	4,018	0.48	
8,712,500 PetroTal Corp. <sup>a</sup>	4,036	0.49	
<b>Philippines</b>	<b>7,384</b>	<b>0.89</b>	<b>1.41</b>
870,773 GT Capital Holdings, Inc.	7,384	0.89	
<b>Romania</b>	<b>0</b>	<b>0.00</b>	<b>0.88</b>
<b>Russia</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
211,733 LUKOIL PJSC <sup>b</sup>	0	0.00	
331,615 Novatek PJSC <sup>b</sup>	0	0.00	
3,426,524 Sberbank of Russia PJSC <sup>b</sup>	0	0.00	
<b>Saudi Arabia</b>	<b>5,588</b>	<b>0.67</b>	<b>0.00</b>
755,267 Saudi Arabian Oil Co.	5,588	0.67	
<b>South Africa</b>	<b>29,708</b>	<b>3.59</b>	<b>4.80</b>
1,644,117 Absa Group Ltd.	16,382	1.98	
1,794,844 Motus Holdings Ltd.	10,591	1.28	
366,419 SPAR Group Ltd.	2,735	0.33	
<b>South Korea</b>	<b>107,091</b>	<b>12.94</b>	<b>18.76</b>
279,199 Hana Financial Group, Inc.	11,638	1.41	

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Equities (continued)</b>			
<b>South Korea (continued)</b>			
23,298 Hyundai Mobis Co. Ltd.	4,223	0.51	
18,115 Hyundai Motor Co.	2,568	0.31	
21,415 Hyundai Motor Co. 2nd Preference Shares	2,453	0.30	
77,421 Hyundai Motor Co. Preference Shares	8,561	1.03	
612,388 Samsung Electronics Co. Ltd.	22,090	2.67	
471,639 Samsung Electronics Co. Ltd. Preference Shares	13,956	1.69	
21,208 Samsung Fire & Marine Insurance Co. Ltd. Preference Shares	4,143	0.50	
80,905 Samsung Life Insurance Co. Ltd.	4,966	0.60	
404,774 Shinhan Financial Group Co. Ltd.	14,252	1.72	
75,260 SK Hynix, Inc.	10,366	1.25	
121,247 SK Square Co. Ltd.	7,875	0.95	
<b>Taiwan</b>	<b>53,357</b>	<b>6.45</b>	<b>7.40</b>
137,355 Silicon Motion Technology Corp. ADR	7,372	0.89	
1,326,000 Taiwan Semiconductor Manufacturing Co. Ltd.	45,985	5.56	
<b>Thailand</b>	<b>15,126</b>	<b>1.83</b>	<b>2.23</b>
2,280,600 Bangkok Bank PCL	10,429	1.26	
6,142,600 Thai Oil PCL	4,697	0.57	
<b>United Kingdom</b>	<b>35,419</b>	<b>4.28</b>	<b>6.24</b>
256,542 Anglo American PLC	7,594	0.92	
589,494 Energean PLC	6,914	0.84	
1,734,568 Inchcape PLC	14,681	1.77	
216,176 Prudential PLC	1,800	0.22	
137,350 Standard Chartered PLC (HK listing)	1,831	0.22	
191,704 Standard Chartered PLC (UK listing)	2,599	0.31	
<b>United States</b>	<b>9,975</b>	<b>1.21</b>	<b>2.29</b>
260,342 Autohome, Inc. ADR	7,650	0.93	
168,290 HUTCHMED China Ltd. ADR	2,325	0.28	
<b>Vietnam</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
100 Vietnam Technological & Commercial Joint Stock Bank	0	0.00	
<b>Zambia</b>	<b>2,201</b>	<b>0.27</b>	<b>0.00</b>
167,374 First Quantum Minerals Ltd.	2,201	0.27	

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Portfolio of investments</b>	<b>828,859</b>	<b>100.16</b>	<b>99.65</b>
Share class hedging	(22)	0.00	0.00
Forward currency contracts for share class hedging	(22)	0.00	0.00
£2,240,440 Bought for US\$2,802,701 (expires 05.02.25)	(22)	0.00	
£(39,708) Sold for US\$49,264 (expires 05.02.25)	0	0.00	
<b>Total portfolio</b>	<b>828,837</b>	<b>100.16</b>	<b>99.65</b>
<b>Net other assets/(liabilities)</b>	<b>(1,313)</b>	<b>(0.16)</b>	<b>0.35</b>
<b>Net assets attributable to shareholders</b>	<b>827,524</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> AIM quoted.

<sup>b</sup> M&G's Valuation Sub Committee are valuing these securities at £nil until further notice.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 January 2025

Largest purchases	\$'000
Prosus NV	42,647
Vale SA	19,992
AIA Group Ltd.	16,167
Samsung Electronics Co. Ltd. Preference Shares	16,107
Kosmos Energy Ltd.	13,400
Bank Rakyat Indonesia Persero Tbk. PT	13,399
Localiza Rent a Car SA	12,946
MRV Engenharia e Participacoes SA	11,414
Saudi Arabian Oil Co.	10,887
Axis Bank Ltd.	9,938
Other purchases	265,637
<b>Total purchases</b>	<b>432,534</b>

Largest sales	\$'000
Naspers Ltd.	35,790
Samsung Fire & Marine Insurance Co. Ltd.	23,350
Trip.com Group Ltd. ADR	20,965
Taiwan Semiconductor Manufacturing Co. Ltd.	19,783
China Construction Bank Corp.	17,539
Samsung Life Insurance Co. Ltd.	16,847
SK Square Co. Ltd.	14,665
Hana Financial Group, Inc.	12,872
First Pacific Co. Ltd.	12,786
Standard Chartered PLC	12,042
Other sales	248,107
<b>Total sales</b>	<b>434,746</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	+16.5	+6.3	+6.2	+6.5
Class 'A' Accumulation	+16.6	+6.3	+6.3	+6.5
Class 'I' Income	+17.0	+6.7	+6.7	+7.1
Class 'I' Accumulation	+17.0	+6.7	+6.7	+7.1
Class 'I-H' Income	+13.4	+2.5	+3.6	n/a
Class 'I-H' Accumulation	+13.6	+2.6	+4.1	n/a
Class 'PP' Income	+17.1	+6.8	+6.8	n/a
Class 'PP' Accumulation	+17.1	+6.8	+6.9	n/a
Class 'PP-H' Income	+13.7	+2.6	+4.0	n/a
Class 'PP-H' Accumulation	+13.6	+2.7	+4.0	n/a
Class 'R' Income	+16.7	+6.5	+6.4	+6.8
Class 'R' Accumulation	+16.7	+6.5	+6.5	+6.9
<b>Benchmark</b>	<b>+18.2</b>	<b>+2.3</b>	<b>+4.7</b>	<b>+6.2</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 5 February 2009.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	259.61	279.76	269.73
Return before operating charges*	45.48	(7.98)	23.13
Operating charges	(3.34)	(3.13)	(3.07)
Return after operating charges*	42.14	(11.11)	20.06
Distributions	(9.92)	(9.04)	(10.03)
Closing NAV	291.83	259.61	279.76
*after direct transaction cost of	0.47	0.37	0.30
<b>Performance</b>			
Return after charges (%)	16.23	(3.97)	7.44
<b>Other information</b>			
Closing NAV (\$'000)	85,375	77,900	82,158
Number of shares	23,572,824	23,653,530	23,828,591
Operating charges (%)	1.15	1.15	1.15
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	321.27	287.15	299.86
Lowest share price (UK p)	264.54	258.72	237.30

## Sterling Class 'A' Accumulation shares

The share class was launched on 5 February 2009.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	342.82	357.19	332.72
Return before operating charges*	59.86	(10.38)	28.25
Operating charges	(4.40)	(3.99)	(3.78)
Return after operating charges*	55.46	(14.37)	24.47
Distributions	(8.55)	(7.61)	(8.62)
Retained distributions	8.55	7.61	8.62
Closing NAV	398.28	342.82	357.19
*after direct transaction cost of	0.62	0.48	0.36
<b>Performance</b>			
Return after charges (%)	16.18	(4.02)	7.35
<b>Other information</b>			
Closing NAV (\$'000)	367,626	325,276	329,287
Number of shares	74,373,861	74,793,591	74,804,393
Operating charges (%)	1.15	1.15	1.15
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	424.06	366.40	369.58
Lowest share price (UK p)	349.17	330.12	292.45

# Financial highlights

## Sterling Class 'I' Income shares

The share class was launched on 5 February 2009.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	270.99	290.84	279.27
Return before operating charges*	47.49	(8.32)	24.06
Operating charges	(2.24)	(2.12)	(2.08)
Return after operating charges*	45.25	(10.44)	21.98
Distributions	(10.37)	(9.41)	(10.41)
Closing NAV	305.87	270.99	290.84
*after direct transaction cost of	0.48	0.39	0.31
<b>Performance</b>			
Return after charges (%)	16.70	(3.59)	7.87
<b>Other information</b>			
Closing NAV (\$'000)	15,877	46,073	45,750
Number of shares	4,182,628	13,402,140	12,763,943
Operating charges (%)	0.75	0.75	0.75
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	336.27	298.55	311.69
Lowest share price (UK p)	276.14	269.10	245.80

## Sterling Class 'I' Accumulation shares

The share class was launched on 5 February 2009.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	377.98	392.27	363.92
Return before operating charges*	66.07	(11.43)	31.05
Operating charges	(3.16)	(2.86)	(2.70)
Return after operating charges*	62.91	(14.29)	28.35
Distributions	(11.18)	(9.87)	(10.87)
Retained distributions	11.18	9.87	10.87
Closing NAV	440.89	377.98	392.27
*after direct transaction cost of	0.68	0.53	0.40
<b>Performance</b>			
Return after charges (%)	16.64	(3.64)	7.79
<b>Other information</b>			
Closing NAV (\$'000)	214,513	238,843	198,867
Number of shares	39,203,900	49,810,691	41,136,757
Operating charges (%)	0.75	0.75	0.75
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	468.83	402.41	405.85
Lowest share price (UK p)	384.99	362.72	320.03



# Financial highlights

## Sterling Class 'I-H' Income shares

The share class was launched on 6 December 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	92.83	97.73	104.65
Return before operating charges*	12.95	(0.93)	(2.61)
Operating charges	(0.81)	(0.75)	(0.73)
Return after operating charges*	12.14	(1.68)	(3.34)
Distributions	(3.44)	(3.22)	(3.58)
Closing NAV	101.53	92.83	97.73
*after direct transaction cost of	0.17	0.13	0.10
<b>Performance</b>			
Return after charges (%)	13.08	(1.72)	(3.19)
<b>Other information</b>			
Closing NAV (\$'000)	75	78	20
Number of shares	59,242	66,040	16,909
Operating charges (%)	0.78	0.78	0.78
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	117.62	102.87	111.38
Lowest share price (UK p)	94.30	89.19	79.14

## Sterling Class 'I-H' Accumulation shares

The share class was launched on 6 December 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	109.00	110.91	114.72
Return before operating charges*	15.35	(1.06)	(3.01)
Operating charges	(0.95)	(0.85)	(0.80)
Return after operating charges*	14.40	(1.91)	(3.81)
Distributions	(3.09)	(2.81)	(3.12)
Retained distributions	3.09	2.81	3.12
Closing NAV	123.40	109.00	110.91
*after direct transaction cost of	0.20	0.15	0.11
<b>Performance</b>			
Return after charges (%)	13.21	(1.72)	(3.32)
<b>Other information</b>			
Closing NAV (\$'000)	2,728	1,219	319
Number of shares	1,781,743	881,374	233,062
Operating charges (%)	0.78	0.78	0.78
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	138.27	116.67	121.91
Lowest share price (UK p)	110.71	101.29	86.60

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	99.40	106.57	102.23
Return before operating charges*	17.44	(3.05)	8.81
Operating charges	(0.73)	(0.67)	(0.66)
Return after operating charges*	16.71	(3.72)	8.15
Distributions	(3.80)	(3.45)	(3.81)
Closing NAV	112.31	99.40	106.57
*after direct transaction cost of	0.18	0.14	0.11
<b>Performance</b>			
Return after charges (%)	16.81	(3.49)	7.97
<b>Other information</b>			
Closing NAV (\$'000)	46,571	539	730
Number of shares	33,413,371	427,891	555,946
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	123.43	109.40	114.21
Lowest share price (UK p)	101.29	98.62	89.99

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	117.22	121.52	112.64
Return before operating charges*	20.50	(3.53)	9.60
Operating charges	(0.86)	(0.77)	(0.72)
Return after operating charges*	19.64	(4.30)	8.88
Distributions	(3.60)	(3.17)	(3.47)
Retained distributions	3.60	3.17	3.47
Closing NAV	136.86	117.22	121.52
*after direct transaction cost of	0.21	0.16	0.12
<b>Performance</b>			
Return after charges (%)	16.75	(3.54)	7.88
<b>Other information</b>			
Closing NAV (\$'000)	90,529	57,250	2,017
Number of shares	53,299,324	38,501,828	1,346,730
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	145.49	124.67	125.74
Lowest share price (UK p)	119.39	112.39	99.06

# Financial highlights

## Sterling Class 'PP-H' Income shares

The share class was launched on 6 December 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	94.26	99.28	106.19
Return before operating charges*	13.31	(1.09)	(2.62)
Operating charges	(0.71)	(0.66)	(0.65)
Return after operating charges*	12.60	(1.75)	(3.27)
Distributions	(3.50)	(3.27)	(3.64)
Closing NAV	103.36	94.26	99.28
*after direct transaction cost of	0.17	0.13	0.11
<b>Performance</b>			
Return after charges (%)	13.37	(1.76)	(3.08)
<b>Other information</b>			
Closing NAV (\$'000)	12	22	22
Number of shares	9,000	18,150	18,150
Operating charges (%)	0.68	0.68	0.68
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	119.70	104.36	113.03
Lowest share price (UK p)	95.77	90.62	80.38

## Sterling Class 'PP-H' Accumulation shares

The share class was launched on 6 December 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	108.52	110.22	113.80
Return before operating charges*	15.20	(0.97)	(2.88)
Operating charges	(0.82)	(0.73)	(0.70)
Return after operating charges*	14.38	(1.70)	(3.58)
Distributions	(3.20)	(2.90)	(3.21)
Retained distributions	3.20	2.90	3.21
Closing NAV	122.90	108.52	110.22
*after direct transaction cost of	0.19	0.15	0.11
<b>Performance</b>			
Return after charges (%)	13.25	(1.54)	(3.15)
<b>Other information</b>			
Closing NAV (\$'000)	12	25	25
Number of shares	8,000	18,100	18,100
Operating charges (%)	0.68	0.68	0.68
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	137.69	116.09	120.98
Lowest share price (UK p)	110.23	100.68	86.08

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	136.91	147.32	141.82
Return before operating charges*	23.99	(4.21)	12.18
Operating charges	(1.53)	(1.44)	(1.40)
Return after operating charges*	22.46	(5.65)	10.78
Distributions	(5.23)	(4.76)	(5.28)
Closing NAV	154.14	136.91	147.32
*after direct transaction cost of	0.25	0.20	0.16
<b>Performance</b>			
Return after charges (%)	16.40	(3.84)	7.60
<b>Other information</b>			
Closing NAV (\$'000)	411	532	530
Number of shares	215,027	306,093	292,073
Operating charges (%)	1.00	1.00	1.00
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	169.61	151.22	157.89
Lowest share price (UK p)	139.52	136.27	124.79

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	181.06	188.36	175.19
Return before operating charges*	31.63	(5.47)	14.90
Operating charges	(2.02)	(1.83)	(1.73)
Return after operating charges*	29.61	(7.30)	13.17
Distributions	(4.83)	(4.28)	(4.80)
Retained distributions	4.83	4.28	4.80
Closing NAV	210.67	181.06	188.36
*after direct transaction cost of	0.33	0.25	0.19
<b>Performance</b>			
Return after charges (%)	16.35	(3.88)	7.52
<b>Other information</b>			
Closing NAV (\$'000)	3,795	3,633	3,559
Number of shares	1,451,381	1,581,646	1,533,264
Operating charges (%)	1.00	1.00	1.00
Direct transaction costs (%)	0.17	0.14	0.11
<b>Prices</b>			
Highest share price (UK p)	224.20	193.23	194.90
Lowest share price (UK p)	184.41	174.12	154.02

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 January	Note	2025		2024	
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Net capital gains/(losses)	3		81,679		(26,183)
Revenue	5	29,435		27,134	
Expenses	6	(7,802)		(7,137)	
Interest payable and similar charges		(16)		0	
Net revenue/(expense) before taxation		21,617		19,997	
Taxation	7	(2,679)		(2,788)	
Net revenue/(expense) after taxation			18,938		17,209
<b>Total return before distributions</b>			<b>100,617</b>		<b>(8,974)</b>
Distributions	8		(20,508)		(18,911)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>80,109</b>		<b>(27,885)</b>

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

for the year to 31 January	2025		2024	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>751,390</b>		<b>663,284</b>
Amounts received on issue of shares	119,003		206,061	
Amounts paid on cancellation of shares	(139,121)		(106,072)	
		(20,118)		99,989
Dilution adjustments		269		883
Change in net assets attributable to shareholders from investment activities (see above)		80,109		(27,885)
Retained distributions on Accumulation shares		15,874		15,119
<b>Closing net assets attributable to shareholders</b>		<b>827,524</b>		<b>751,390</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 January	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		828,859	748,786
<b>Current assets</b>			
Debtors	9	3,153	3,258
Cash and bank balances	10	1,681	4,660
Cash equivalents		32	4,209
<b>Total assets</b>		<b>833,725</b>	<b>760,913</b>
<b>Liabilities</b>			
Investment liabilities		(22)	(4)
<b>Creditors</b>			
Distribution payable		(5,034)	(4,353)
Other creditors	11	(797)	(4,931)
Deferred tax provision	7	(348)	(235)
<b>Total liabilities</b>		<b>(6,201)</b>	<b>(9,523)</b>
<b>Net assets attributable to shareholders</b>		<b>827,524</b>	<b>751,390</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, ordinary stock dividends have been transferred to capital, reducing the amount available.

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

### 3 Net capital gains/(losses)

for the year to 31 January	2025 \$'000	2024 \$'000
Non-derivative securities	82,284	(25,775)
Derivative contracts	(78)	33
Currency gains/(losses)	(527)	(441)
<b>Net capital gains/(losses)</b>	<b>81,679</b>	<b>(26,183)</b>

# 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 January	2025 \$'000	% of transaction	2024 \$'000	% of transaction
<b>a) Purchases</b>				
<b>Equities</b>				
Equities before transaction costs	431,865		400,291	
Commissions	290	0.07	218	0.05
Taxes	379	0.09	357	0.09
<b>Total purchases after transaction costs</b>	<b>432,534</b>		<b>400,866</b>	
<b>b) Sales</b>				
<b>Equities</b>				
Equities before transaction costs	435,393		269,200	
Commissions	(249)	0.06	(162)	0.06
Taxes	(398)	0.09	(279)	0.10
<b>Total sales after transaction costs</b>	<b>434,746</b>		<b>268,759</b>	
	2025 \$'000	% of average NAV	2024 \$'000	% of average NAV
<b>c) Direct portfolio transaction costs</b>				
<b>Commissions paid</b>				
Equities	539	0.07	380	0.05
<b>Taxes paid</b>				
Equities	777	0.10	636	0.09
<b>Total direct portfolio transaction costs</b>	<b>1,316</b>	<b>0.17</b>	<b>1,016</b>	<b>0.14</b>
		<b>%</b>		<b>%</b>
<b>d) Indirect portfolio transaction costs</b>				
Average portfolio dealing spread as at the balance sheet date		0.30		0.26



# Financial statements and notes

## 5 Revenue

for the year to 31 January	2025 \$'000	2024 \$'000
Bank interest	19	17
Dividends from equity investments: non-taxable	25,708	22,350
Dividends from equity investments: taxable	1,789	1,843
Interest distributions	404	848
Property distribution: taxable	1,427	2,063
Rebate of ongoing charges from underlying funds	6	13
Stock dividends	82	0
<b>Total revenue</b>	<b>29,435</b>	<b>27,134</b>

## 6 Expenses

for the year to 31 January	2025 \$'000	2024 \$'000
<b>Payable to the ACD or associate</b>		
Annual charge	7,802	7,137
<b>Total expenses</b>	<b>7,802</b>	<b>7,137</b>

Audit fees for the financial year ending 2025 were £12,000 (2024: £12,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 January	2025 \$'000	2024 \$'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	2,432	2,368
Capital gains tax (India)	134	185
Deferred tax provision on capital gains tax (India) (note 7c)	113	235
<b>Total taxation</b>	<b>2,679</b>	<b>2,788</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	21,617	19,997
Corporation tax at 20%	4,323	3,999
<b>Effects of:</b>		
Revenue: non-taxable	(5,142)	(4,470)
Stock dividends: non-taxable	(16)	0
Current year expenses not utilised	926	582
Withholding tax	2,432	2,368
Withholding tax expensed	(91)	(111)
Capital gains tax (India)	247	420
<b>Total tax charge (note 7a)</b>	<b>2,679</b>	<b>2,788</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	235	0
Deferred tax in profit and loss account (note 7a)	113	235
<b>Provision at the end of the year</b>	<b>348</b>	<b>235</b>

The fund has not recognised a deferred tax asset of \$36,301,000 (2024: \$35,375,000) 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 January	2025		2024	
	Inc \$'000	Acc \$'000	Inc \$'000	Acc \$'000
<b>Dividend distributions</b>				
Final	5,034	15,874	4,353	15,119
Total net distributions		20,908		19,472
Income deducted on cancellation of shares		1,426		2,125
Income received on issue of shares		(1,826)		(2,686)
<b>Distributions</b>		<b>20,508</b>		<b>18,911</b>
Net revenue/(expense) per statement of total return		18,938		17,209
Expenses offset against capital		1,405		1,282
Stock dividends not distributed		(82)		0
Capital gains tax offset against capital		247		420
<b>Distributions</b>		<b>20,508</b>		<b>18,911</b>

## 9 Debtors

as at 31 January	2025 \$'000	2024 \$'000
Amounts receivable on issues of shares	572	115
Currency deals outstanding	137	1,798
Distributions receivable	11	23
Dividends receivable	745	957
Sales awaiting settlement	1,628	255
Withholding tax recoverable	60	110
<b>Total debtors</b>	<b>3,153</b>	<b>3,258</b>

## 10 Cash and bank balances

as at 31 January	2025 \$'000	2024 \$'000
Cash held as bank balances	1,681	4,660
<b>Total cash and bank balances</b>	<b>1,681</b>	<b>4,660</b>

# Financial statements and notes

## 11 Other creditors

as at 31 January	2025 \$'000	2024 \$'000
Amounts payable on cancellation of shares	92	151
Annual charge payable	73	85
Currency deals outstanding	137	1,801
Purchases awaiting settlement	495	2,894
<b>Total other creditors</b>	<b>797</b>	<b>4,931</b>

## 12 Contingent assets, liabilities and outstanding commitments

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

## 13 Shares in issue

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

Share class	Opening 01.02.24	Issued	Movements Cancelled	Converted	Closing 31.01.25
<b>Sterling</b>					
Class 'A' Income	23,653,530	62,193	(142,899)	0	23,572,824
Class 'A' Accumulation	74,793,591	703,849	(1,123,579)	0	74,373,861
Class 'I' Income	13,402,140	1,277,098	(10,496,610)	0	4,182,628
Class 'I' Accumulation	49,810,691	5,423,532	(16,030,323)	0	39,203,900
Class 'I-H' Income	66,040	0	(6,798)	0	59,242
Class 'I-H' Accumulation	881,374	1,013,385	(113,016)	0	1,781,743
Class 'PP' Income	427,891	33,913,191	(927,711)	0	33,413,371
Class 'PP' Accumulation	38,501,828	20,364,835	(5,567,339)	0	53,299,324
Class 'PP-H' Income	18,150	0	(9,150)	0	9,000
Class 'PP-H' Accumulation	18,100	0	(10,100)	0	8,000
Class 'R' Income	306,093	15,850	(106,916)	0	215,027
Class 'R' Accumulation	1,581,646	175,036	(305,301)	0	1,451,381

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'	1.15
Class 'I'	0.75
Class 'I-H'	0.78
Class 'PP'	0.65
Class 'PP-H'	0.68
Class 'R'	1.00

## 15 Related parties

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

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

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 9.65% (2024: 15.42%) 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 January	Assets 2025 \$'000	Liabilities 2025 \$'000	Assets 2024 \$'000	Liabilities 2024 \$'000
Basis of valuation				
Level 1	828,859	0	748,786	0
Level 2	0	(22)	0	(4)
Level 3	0	0	0	0
	<b>828,859</b>	<b>(22)</b>	<b>748,786</b>	<b>(4)</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

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by \$41,442,000 (2024: \$37,439,000). A five per cent decrease would have an equal and opposite effect.

# Financial statements and notes

## 19 Currency risk sensitivity and exposure

A five per cent increase in the value of the fund's currency exposure would have the effect of increasing the return and net assets by \$31,830,000 (2024: \$30,076,000). A five per cent decrease would have an equal and opposite effect.

as at 31 January	2025 \$'000	2024 \$'000
<b>Currency exposure</b>		
Australian dollar	939	0
Brazilian real	96,375	74,088
Canadian dollar	6,237	3,538
Chilean peso	14	743
Colombian peso	4,442	4,025
Euro	16	22
Hong Kong dollar	130,691	134,381
Indian rupee	32,286	19,120
Indonesian rupiah	36,235	15,707
Mexican peso	33,231	39,562
New Romanian leu	0	6,648
Pakistani rupee	0	3,890
Philippine peso	7,384	10,598
Saudi riyal	5,588	0
South African rand	71,675	36,542
South Korean won	108,359	140,415
Sterling	41,871	46,163
Taiwan dollar	46,125	49,339
Thailand baht	15,127	16,746
US dollar	190,928	149,863
Vietnamese dong	1	0
<b>Total</b>	<b>827,524</b>	<b>751,390</b>

## 20 Interest rate risk sensitivity and exposure

As the majority of the fund's financial assets are non-interest bearing, the risk is not considered significant and is therefore not disclosed.

# Financial statements and notes

## 21 Credit risk

Credit risk with regard to derivative balances is not considered significant and is therefore not disclosed.

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 January 2025		Forward currency contracts \$'000
State Street Bank		(22)
<b>Total</b>		<b>(22)</b>

as at 31 January 2024		Forward currency contracts \$'000
State Street Bank		(4)
<b>Total</b>		<b>(4)</b>

## 22 Exchange rate risk for hedged share classes

This fund contains hedged share classes. These share classes operate currency hedges designed to reduce the impact of exchange rates in certain circumstances. As a result, profit and loss on the currency hedges may impact the liquidity of the overall fund. On a day to day basis this is monitored using reporting from the outsourced provider of the hedged share class service. On an ongoing basis the size of the hedged share classes is monitored to ensure that unforeseen exchange rate volatility can be adequately managed without significantly impacting all shareholders. The exposure to forward currency contracts for share class hedging at the year-end accounting date is disclosed in the portfolio statement on page 114.

## 23 Dividend distribution tables

This fund pays annual ordinary distributions and the following table sets out the distribution period.

### Annual distribution period

	Start	End	Xd	Payment
Final	01.02.24	31.01.25	03.02.25	31.03.25

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

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

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



# Financial statements and notes

## Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	5.8642	4.0526	9.9168	9.0378

## Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	3.5203	5.0303	8.5506	7.6060

## Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	5.5003	4.8668	10.3671	9.4112

## Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	4.1504	7.0332	11.1836	9.8665

## Sterling Class 'I-H' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.5278	1.9086	3.4364	3.2195

## Sterling Class 'I-H' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	0.2866	2.8017	3.0883	2.8062

# Financial statements and notes

## Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.0291	2.7756	3.8047	3.4503

## Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.3963	2.2083	3.6046	3.1733

## Sterling Class 'PP-H' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.3606	2.1345	3.4951	3.2685

## Sterling Class 'PP-H' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.0960	2.0998	3.1958	2.8976

## Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	2.6831	2.5502	5.2333	4.7621

## Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
Final	1.6548	3.1762	4.8310	4.2832

# Financial statements and notes

## 24 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 31 July 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 that of the ICE BofAML Global Floating Rate High Yield Index (3% constrained) USD Hedged over any five-year period.

## Investment policy

At least 70% of the fund is invested, directly or indirectly, in below investment grade corporate and government floating rate notes. These securities can be issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies from anywhere in the world, including emerging markets. These securities can be denominated in any currency.

The fund's indirect exposure to floating rate notes is achieved by investing through a combination of instruments. These include the combination of government bonds or corporate bonds with credit derivatives, such as credit default swaps, to create synthetic positions.

Other investments may include:

- below investment grade, investment grade and unrated corporate debt securities;
- debt securities issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies;
- asset backed securities; and/or
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

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

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

## Investment approach

The fund is globally diversified across a range of below investment grade (high yield) debt securities from a variety of sectors and geographies, focusing on floating rate notes.

If interest rates rise, the fund will benefit from a higher income as floating rate note coupons are automatically adjusted upwards (equally, should interest rates fall, then the coupons will be adjusted downwards). This has the effect of providing a natural hedge against rising interest rates.

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

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

## Benchmark

ICE BofAML Global Floating Rate High Yield Index (3% constrained) USD Hedged

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

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-H' 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 January 2025

### Performance against objective

Over the 12 months ending 31 January 2025, the fund delivered strong positive returns (the combination of capital growth and income) across all its sterling share classes. Performance lagged its benchmark, the ICE BofAML Global Floating Rate High Yield Index (3% constrained) GBP hedged, which returned 8.7% over the period.

Over five years, the fund delivered positive returns across its share classes, but underperformed the benchmark, so did not achieve its objective of providing a higher total return, net of the ongoing charge figure, over any five-year period versus the benchmark, which returned 6.6% pa over the period.

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

### Performance review

Global high yield (HY) markets and high yield floating rate note (HY FRN) markets delivered solid returns in the period under review, despite significant fluctuations from changes in interest rates, economic data and geopolitical events.

The market started the period under review positively, with high yield bonds benefiting from overall economic optimism, stable interest rates and tightening credit spreads (the difference between the yield of a corporate bond and a government bond of the same maturity). In the second quarter of 2024, central banks like Canada, Sweden and the European Central Bank (ECB) started easing monetary policy. Global HY bonds outperformed due to healthy risk appetite and resilient macroeconomics. In the third quarter of 2024, inflation and central bank policies were in focus as the US Federal Reserve's (Fed) 0.5% rate cut in September weakened the dollar and, along with China's stimulus, boosted investor sentiment. In the fourth quarter of 2024, US elections also gained attention. The Fed cut rates twice but indicated a cautious approach for 2025. The ECB and Bank of England continued rate cuts. US Treasuries were volatile pre-election, and long-term yields spiked post Trump's victory due to inflation concerns. Corporate bonds outperformed government debt, with high yield bonds delivering the best returns in the quarter. Global HY markets started on a positive note in 2025 with positive returns in January.

The fund underperformed its benchmark, with one sector call and two stock specific calls impacting relative returns. On the former, the fund was below the benchmark (underweight) the subordinated banking sector which performed well over the period, as a function of concerns around the commercial real estate receding. On stock selection, a small off-benchmark position in Iqera resulted in negative performance, while an underweight in a larger issuer in the benchmark, SGL, also contributed negatively.

# Authorised Corporate Director's Report

In contrast, our off-benchmark position in the credit default swap (CDS) index, which we hold for liquidity and diversification purposes, added to relative performance.

In the corporate space, relative to the benchmark, top contributors included Swedish cosmetics and wellness products seller Oriflame Investment and online betting and gaming company 888 Acquisitions. The main detractors were commercial real estate finance company Deutsche Pfandbriefbank and pharma company Rossini (both sold during the period under review).

## Investment activities

In primary markets, we participated in bonds issued by machinery maker EVOCA, Italian cardboard packaging maker Reno de Medici, and transport business SGL, early in the review period. In the second quarter of 2024, we added 888 Acquisitions (gambling), La Doria (canned foods), online education provider Multiversity, auto parts manufacturer IMA, betting firm Lottomatica, frozen food business Picard, technical services supplier Assemblin Caverion, and packaging firm Guala. In the third quarter, we participated in new deals from luxury leather and textile maker Rino Mastrotto, management software specialist TeamSystem, pub operator Stonegate, parking operator APCOA and water pumps manufacturer CEME Group. In the fourth quarter, we participated in new issues from Italian frozen desserts specialist Sammontana, food machinery producer Omnia, chocolate and pastry maker Irca, France's board and card games publisher Asmodee and Italian home furnishings manufacturer Flos B&b. Towards the end of the review period, we bought new FRNs from SGL and a senior secured deal in Sinclair Television.

In secondary markets, we sold bonds from Selecta (retailer), Pfeleiderer (wood products manufacturer) and topped up existing positions such as Miller Homes (construction), Golden Goose (retail), Guala, Multiversity and Lottomatica early in the review period. In the second quarter of 2024, we topped up Golden Goose,

Neopharmed (pharmaceuticals), and Lottomatica again. In the third quarter, we added Iceland (frozen goods), Multiversity, 888 Acquisitions, Pasubio (leather goods), Assemblin Caverion (installation), Miller Homes and Reno de Medici. In the fourth quarter, we added SGL, Cedacri Mergeco, Picard, Guala, Duomo Bidco (cosmetics) and Reno de Medici.

## Outlook

HY fundamentals have been solid. We believe opportunities remain in the HY market, even at current valuations. While spreads are relatively tight, yields on HY bonds are still higher than they've been in previous years.

There is greater confidence in the economy as recent economic performance has shown continued strength, with corporate profits and consumer spending remaining largely resilient in an environment of high interest rates. HY fundamentals look resilient and improved growth expectations are likely to further support fundamental metrics.

A strong market technical backdrop remains supportive for HY spreads. All-in-yields for HY bonds remain higher than they've been in previous years. Historically, yield has been a good proxy of future returns, and with current yields around 5-7%, we believe there is arguably still potential for the asset class to generate reasonable returns in 2025.

At the same time, the broader high yield market continues to shrink as an increasing amount of capital has flown into other parts of the leveraged finance markets (ie issuers seeking capital in the leveraged loan or the private credit market). This, coupled with low levels of new issuance and the ongoing need for income, creates a supply/demand imbalance which could potentially become a powerful tailwind for the asset class into 2025.

# Authorised Corporate Director's Report

We believe an approach that focuses on fundamental credit research and thorough credit selection will be essential to navigate HY markets in 2025.

## **James Tomlins, Lu Yu and Stefan Isaacs**

Co-fund managers

Employees of M&G FA Limited which is an associate of M&G Securities Limited. Please note that effective from 5 February 2024, Lu Yu and Stefan Isaacs were appointed as co-fund managers.

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 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Fixed income</b>		<b>235,078</b>	<b>88.95</b>	<b>88.79</b>
<b>Debt securities</b>		<b>232,735</b>	<b>88.06</b>	<b>88.19</b>
<b>'AA' credit rated bonds</b>		<b>18,417</b>	<b>6.97</b>	<b>8.22</b>
US\$3,900,000	U.S. Treasury Floating Rate Notes FRN 4.3899% 30/04/2026	3,902	1.48	
US\$5,500,000	U.S. Treasury Floating Rate Notes FRN 4.4099% 31/10/2025	5,504	2.08	
US\$9,000,000	U.S. Treasury Floating Rate Notes FRN 4.4219% 31/07/2026	9,011	3.41	
<b>'BB' credit rated bonds</b>		<b>18,850</b>	<b>7.13</b>	<b>9.00</b>
€936,000	Arena Luxembourg Finance SARL FRN 5.056% 01/02/2027	960	0.36	
€3,351,000	Deutsche Lufthansa AG Var 4.382% 12/08/2075	3,476	1.31	
£1,416,000	Encore Capital Group, Inc. 4.25% 01/06/2028	1,635	0.62	
€1,165,000	Encore Capital Group, Inc. FRN 7.035% 15/01/2028	1,220	0.46	
US\$4,901,000	Energy Transfer LP FRN 7.5698% 01/11/2066	4,860	1.84	
€128,143	Loarre Investments SARL FRN 8.023% 15/05/2029	134	0.05	
€1,737,000	Lottomatica Group SpA FRN 6.189% 01/06/2031	1,814	0.69	
€2,414,000	Lottomatica Group SpA FRN 6.939% 15/12/2030	2,516	0.95	
€2,152,000	SCIL IV LLC/SCIL USA Holdings LLC FRN 7.431% 01/11/2026	2,235	0.85	
<b>'B' credit rated bonds</b>		<b>188,492</b>	<b>71.32</b>	<b>69.72</b>
€4,700,000	888 Acquisitions Ltd. FRN 8.285% 15/07/2028	4,878	1.85	
€1,890,000	APCOA Group GmbH/Germany FRN 6.91% 15/04/2031	1,977	0.75	
€873,000	Asmodee Group AB FRN 6.622% 15/12/2029	920	0.35	
€5,161,000	Assemblin Caverion Group AB FRN 6.236% 01/07/2031	5,381	2.04	
€3,384,000	Bach Bidco SpA FRN 7.035% 15/10/2028	3,528	1.33	
€2,821,000	Bertrand Franchise Finance SAS FRN 6.494% 18/07/2030	2,941	1.11	
€1,067,000	Bubbles Bidco SPA FRN 6.933% 30/09/2031	1,111	0.42	
€2,933,000	Castello BC Bidco SpA FRN 7.505% 14/11/2031	3,068	1.16	
€7,760,000	Cedacri Mergeco SpA FRN 7.648% 15/05/2028	8,071	3.05	
€1,543,000	CEME SpA FRN 7.183% 30/09/2031	1,590	0.60	
€6,977,000	Cerved Group SpA FRN 8.136% 15/02/2029	6,965	2.64	
€2,935,000	Cheplapharm Arzneimittel GmbH FRN 7.773% 15/05/2030	2,799	1.06	
€4,672,000	Cirsa Finance International SARL FRN 7.112% 31/07/2028	4,909	1.86	
€3,600,000	Conceria Pasubio SpA FRN 7.215% 30/09/2028	3,530	1.34	
€1,182,000	Cullinan Holdco SCSp FRN 7.535% 15/10/2026	1,092	0.41	
£571,000	Deuce Finco PLC 5.5% 15/06/2027	693	0.26	



# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'B' credit rated bonds (continued)</b>			
€3,635,000 Deuce Finco PLC FRN 7.636% 15/06/2027	3,794	1.44	
€2,308,000 Duomo Bidco SpA FRN 6.91% 15/07/2031	2,407	0.91	
€4,825,000 EVOCA SpA FRN 8.035% 09/04/2029	5,000	1.89	
€2,132,000 Fedrigoni SpA FRN 6.683% 15/01/2030	2,223	0.84	
US\$559,000 Flagstar Financial, Inc. Var 7.5732% 06/11/2028	530	0.20	
€2,154,000 Flos B&b Italia SpA FRN 6.718% 15/12/2029	2,240	0.85	
€3,830,000 Golden Goose SpA FRN 7.898% 14/05/2027	4,021	1.52	
€1,400,000 Goldstory SAS 7.056% 01/02/2030	1,466	0.55	
€4,562,000 Guala Closures SpA FRN 6.886% 29/06/2029	4,755	1.80	
£277,000 Iceland Bondco PLC 4.375% 15/05/2028	306	0.12	
€2,125,000 Iceland Bondco PLC FRN 8.523% 15/12/2027	2,205	0.83	
€417,000 IMA Industria Macchine Automatiche SpA 3.75% 15/01/2028	426	0.16	
€2,426,000 IMA Industria Macchine Automatiche SpA FRN 6.535% 15/04/2029	2,528	0.96	
€3,386,000 IPD 3 BV FRN 6.261% 15/06/2031	3,533	1.34	
€1,018,000 Irca SpA/Gallarate FRN 6.631% 15/12/2029	1,064	0.40	
€3,766,000 Italmatch Chemicals SpA FRN 8.183% 06/02/2028	3,932	1.49	
€5,269,000 Kapla Holding SAS FRN 6.386% 31/07/2030	5,505	2.08	
€1,396,000 Kepler SpA FRN 8.636% 15/05/2029	1,461	0.55	
€2,305,000 La Doria SpA FRN 7.115% 12/11/2029	2,414	0.91	
€2,932,000 Lion/Polaris Lux 4 SA FRN 6.303% 01/07/2029	3,050	1.15	
€2,492,000 Mangrove Luxco III SARL FRN 7.785% 15/07/2029	2,608	0.99	
£520,000 Miller Homes Group Finco PLC 7% 15/05/2029	618	0.23	
€3,811,000 Miller Homes Group Finco PLC FRN 8.273% 15/05/2028	3,968	1.50	
€2,296,000 Monitchem HoldCo 3 SA FRN 8.136% 01/05/2028	2,386	0.90	
€5,381,000 Mooney Group SpA FRN 6.718% 17/12/2026	5,577	2.11	
€1,077,000 MPT Operating Partnership 7% 15/02/2032	1,102	0.42	
€6,520,000 Multiversity SpA FRN 6.865% 30/10/2028	6,791	2.57	
€3,401,000 Neopharmed Gentili SpA FRN 7.035% 08/04/2030	3,559	1.35	
€2,500,000 Nidda Healthcare Holding GmbH FRN 6.888% 23/10/2030	2,618	0.99	
€3,813,000 Nova Alexandre III SAS FRN 8.035% 15/07/2029	3,931	1.49	

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'B' credit rated bonds (continued)</b>			
€1,618,000 Omnia Della Toffola SpA FRN 6.933% 05/11/2031	1,636	0.62	
€847,000 Pachelbel Bidco SpA FRN 6.865% 17/05/2031	886	0.33	
€278,000 Picard Groupe SAS 3.875% 01/07/2026	287	0.11	
€3,078,000 PLT VII Finance SARL FRN 6.386% 15/06/2031	3,206	1.21	
€1,600,000 PrestigeBidCo GmbH FRN 6.535% 01/07/2029	1,680	0.64	
€2,625,000 RAY Financing LLC FRN 6.535% 15/07/2031	2,736	1.03	
€4,195,000 Reno de Medici SpA FRN 7.886% 15/04/2029	3,571	1.35	
€1,380,000 Rino Mastroto Group SpA FRN 7.362% 31/07/2031	1,434	0.54	
€1,061,000 Sammontana Italia SpA FRN 6.535% 15/10/2031	1,105	0.42	
€5,070,000 SGL Group ApS FRN 7.427% 22/04/2030	5,276	2.00	
€3,289,000 Sherwood Financing PLC FRN 8.362% 15/12/2029	3,331	1.26	
US\$358,000 Sinclair Television Group, Inc. 8.125% 15/02/2033	360	0.14	
€3,321,000 Stonegate Pub Co. Financing PLC FRN 9.648% 31/07/2029	3,538	1.34	
€3,677,000 TeamSystem SpA FRN 6.285% 31/07/2031	3,834	1.45	
€4,650,000 TeamSystem SpA FRN 6.535% 15/02/2028	4,837	1.83	
€2,582,000 Transcom Holding AB FRN 8.136% 15/12/2026	1,907	0.72	
€2,560,000 Trivium Packaging Finance BV FRN 6.773% 15/08/2026	2,662	1.01	
€2,960,000 TVL Finance PLC FRN 6.465% 30/06/2030	3,067	1.16	
€3,518,000 United Group BV FRN 7.273% 15/02/2031	3,668	1.39	
<b>'CCC' credit rated bonds</b>	<b>3,512</b>	<b>1.33</b>	<b>1.21</b>
€2,650,000 HSE Finance SARL FRN 8.773% 15/10/2026	1,158	0.44	
€1,042,000 Oriflame Investment Holding PLC FRN 7.273% 04/05/2026	103	0.04	
€2,654,730 PCF GmbH FRN 7.535% 15/04/2029	2,251	0.85	
<b>'CC' credit rated bonds</b>	<b>3,328</b>	<b>1.26</b>	<b>0.00</b>
€3,607,000 Garfunkelux Holdco 3 SA FRN 9.306% 01/05/2026	2,567	0.97	
€1,287,000 Iqera Group SAS FRN 9.523% 15/02/2027	761	0.29	
<b>'C' credit rated bonds</b>	<b>136</b>	<b>0.05</b>	<b>0.00</b>
US\$1,924,000 Yuzhou Group Holdings Co. Ltd. 0% 13/01/2027	136	0.05	
<b>'D' credit rated bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.04</b>

# Portfolio statement

## Investments (continued)

Holding	as at 31.01.25 \$'000	as at 31.01.25 %	as at 31.01.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>Bonds with no credit rating</b>			
£3,118,000 House of Fraser Funding PLC 0% 30/12/2050 <sup>a</sup>	0	0.00	0.00
<b>Debt derivatives</b>			
<b>Credit default swaps</b>			
US\$24,735,000 CDX.NA.HY.S39 20/12/2027	1,931	0.73	
US\$5,000,000 CDX.NA.HY.S43 20/12/2029	412	0.16	
<b>Currency</b>			
<b>Forward currency contracts</b>			
€1,644,549 Bought for US\$1,692,619 (expires 05.02.25)	14	0.01	
£15,326 Bought for US\$18,588 (expires 05.02.25)	0	0.00	
€(2,231,889) Sold for US\$206,810,557 (expires 05.02.25)	(236)	(0.09)	
£(2,684,098) Sold for US\$3,364,200 (expires 05.02.25)	33	0.01	
<b>Share class hedging</b>			
<b>Forward currency contracts for share class hedging</b>			
£219,108,616 Bought for US\$274,469,615 (expires 05.02.25)	(2,546)	(0.97)	
£(4,572,892) Sold for US\$5,667,101 (expires 05.02.25)	(8)	0.00	
<b>Total portfolio</b>	<b>232,335</b>	<b>87.91</b>	<b>88.83</b>
<b>Net other assets/(liabilities)</b>	<b>31,942</b>	<b>12.09</b>	<b>11.17</b>
<b>Net assets attributable to shareholders</b>	<b>264,277</b>	<b>100.00</b>	<b>100.00</b>

<sup>a</sup> Defaulted bond.

# Portfolio statement

## Top ten portfolio transactions for the year to 31 January 2025

Largest purchases	\$'000
U.S. Treasury Floating Rate Notes FRN 4.4219% 31/07/2026	10,999
Assemblin Caverion Group AB FRN 6.236% 01/07/2031	6,589
EVOCA SpA FRN 8.035% 09/04/2029	6,020
SGL Group ApS FRN 7.427% 22/04/2030	5,454
Kapla Holding SAS FRN 6.386% 31/07/2030	5,143
U.S. Treasury Floating Rate Notes FRN 4.4099% 31/10/2025	5,002
TeamSystem SpA FRN 6.285% 31/07/2031	4,861
U.S. Treasury Floating Rate Notes FRN 4.3899% 30/04/2026	4,799
Reno de Medici SpA FRN 7.886% 15/04/2029	4,547
Nova Alexandre III SAS FRN 8.035% 15/07/2029	4,154
Other purchases	94,852
<b>Total purchases</b>	<b>152,420</b>

Largest sales	\$'000
U.S. Treasury Floating Rate Notes FRN 5.3527% 31/10/2024	12,000
Lion/Polaris Lux 4 SA FRN 7.925% 01/07/2026	8,606
EVOCA SpA 8.147% FRN 01/11/2026	7,456
Allwyn Entertainment Financing U.K. PLC FRN 8.127% 15/02/2028	5,859
TK Elevator Midco GmbH FRN 8.692% 15/07/2027	5,854
TeamSystem SpA FRN 6.535% 15/02/2028	5,816
Reno de Medici SpA FRN 9.175% 14/12/2026	5,536
Sherwood Financing PLC FRN 8.453% 15/11/2027	5,299
Q-Park Holding I BV FRN 5.975% 01/03/2026	5,144
Lottomatica SpA FRN 8.1% 01/06/2028	4,865
Other sales	126,327
<b>Total sales</b>	<b>192,762</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-H' Income	+7.0	+6.4	+4.8	+3.7
Class 'A-H' Accumulation	+7.1	+6.5	+4.9	+3.7
Class 'E-H' Income	+7.7	+7.1	+5.5	+4.4
Class 'E-H' Accumulation	+7.7	+7.1	+5.5	+4.4
Class 'I-H' Income	+7.4	+6.9	+5.3	+4.2
Class 'I-H' Accumulation	+7.5	+6.9	+5.3	+4.2
Class 'PP-H' Income	+7.6	+7.0	+5.4	n/a
Class 'PP-H' Accumulation	+7.6	+7.0	+5.4	n/a
Class 'R-H' Income	+7.2	+6.6	+5.0	+3.9
Class 'R-H' Accumulation	+7.2	+6.6	+5.0	+3.9
<b>Benchmark<sup>b</sup></b>	<b>+8.7</b>	<b>+8.1</b>	<b>+6.6</b>	<b>+5.6</b>

<sup>a</sup> Not annualised.

<sup>b</sup> Prior to 31 March 2016 the benchmark was the ICE BofAML Global Floating Rate High Yield (GBP Hedged) Index. Thereafter it is the ICE BofAML Global Floating Rate High Yield 3% Constrained (USD Hedged) Index.

## 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-H' Income shares

The share class was launched on 11 September 2014.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	86.52	83.91	88.24
Return before operating charges*	7.18	10.79	1.05
Operating charges	(0.89)	(0.89)	(0.87)
Return after operating charges*	6.29	9.90	0.18
Distributions	(7.15)	(7.29)	(4.51)
Closing NAV	85.66	86.52	83.91
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	7.27	11.80	0.20
<b>Other information</b>			
Closing NAV (\$'000)	2,329	2,564	2,873
Number of shares	2,190,686	2,335,624	2,778,009
Operating charges (%)	1.03	1.03	1.03
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	88.46	89.19	89.10
Lowest share price (UK p)	85.32	84.04	80.52

## Sterling Class 'A-H' Accumulation shares

The share class was launched on 11 September 2014.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	131.92	117.49	117.03
Return before operating charges*	11.39	15.71	1.64
Operating charges	(1.40)	(1.28)	(1.18)
Return after operating charges*	9.99	14.43	0.46
Distributions	(9.85)	(9.27)	(4.93)
Retained distributions	9.85	9.27	4.93
Closing NAV	141.91	131.92	117.49
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	7.57	12.28	0.39
<b>Other information</b>			
Closing NAV (\$'000)	3,492	4,502	3,927
Number of shares	1,982,917	2,690,196	2,712,079
Operating charges (%)	1.03	1.03	1.03
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	142.42	133.01	118.85
Lowest share price (UK p)	132.01	117.65	108.09

# Financial highlights

## Sterling Class 'E-H' Income shares

The share class was launched on 3 October 2014.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	91.31	88.01	91.99
Return before operating charges*	7.61	11.37	1.12
Operating charges	(0.39)	(0.39)	(0.38)
Return after operating charges*	7.22	10.98	0.74
Distributions	(7.57)	(7.68)	(4.72)
Closing NAV	90.96	91.31	88.01
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	7.91	12.48	0.80
<b>Other information</b>			
Closing NAV (\$'000)	30,255	5,785	8,711
Number of shares	26,800,775	4,994,211	8,031,872
Operating charges (%)	0.43	0.43	0.43
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	93.49	94.11	92.88
Lowest share price (UK p)	90.32	88.15	84.30

## Sterling Class 'E-H' Accumulation shares

The share class was launched on 11 September 2014.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	141.12	124.98	123.81
Return before operating charges*	12.21	16.71	1.69
Operating charges	(0.63)	(0.57)	(0.52)
Return after operating charges*	11.58	16.14	1.17
Distributions	(11.44)	(10.68)	(5.96)
Retained distributions	11.44	10.68	5.96
Closing NAV	152.70	141.12	124.98
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	8.21	12.91	0.94
<b>Other information</b>			
Closing NAV (\$'000)	5,879	2,422	2,640
Number of shares	3,102,568	1,353,027	1,713,929
Operating charges (%)	0.43	0.43	0.43
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	153.25	142.28	126.42
Lowest share price (UK p)	141.22	125.16	114.61

# Financial highlights

## Sterling Class 'I-H' Income shares

The share class was launched on 11 September 2014.

for the year to 31 January	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	89.76	86.68	90.77
Return before operating charges*	7.48	11.19	1.11
Operating charges	(0.57)	(0.56)	(0.55)
Return after operating charges*	6.91	10.63	0.56
Distributions	(7.44)	(7.55)	(4.65)
Closing NAV	89.23	89.76	86.68
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	7.70	12.26	0.62
<b>Other information</b>			
Closing NAV (\$'000)	41,451	44,602	59,786
Number of shares	37,429,168	39,170,461	55,968,483
Operating charges (%)	0.63	0.63	0.63
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	91.86	92.52	91.65
Lowest share price (UK p)	88.69	86.82	83.07

## Sterling Class 'I-H' Accumulation shares

The share class was launched on 11 September 2014.

for the year to 31 January	2025	2024	2023
Change in NAV per share	UK p	UK p	UK p
Opening NAV	138.15	122.57	121.63
Return before operating charges*	11.97	16.40	1.69
Operating charges	(0.90)	(0.82)	(0.75)
Return after operating charges*	11.07	15.58	0.94
Distributions	(10.91)	(10.21)	(5.61)
Retained distributions	10.91	10.21	5.61
Closing NAV	149.22	138.15	122.57
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	8.01	12.71	0.77
<b>Other information</b>			
Closing NAV (\$'000)	158,597	190,143	138,861
Number of shares	85,641,288	108,489,046	91,921,700
Operating charges (%)	0.63	0.63	0.63
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	149.75	139.30	124.00
Lowest share price (UK p)	138.26	122.75	112.53



# Financial highlights

## Sterling Class 'PP-H' Income shares

The share class was launched on 5 August 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	95.37	92.02	96.28
Return before operating charges*	7.99	11.87	1.17
Operating charges	(0.51)	(0.50)	(0.49)
Return after operating charges*	7.48	11.37	0.68
Distributions	(7.91)	(8.02)	(4.94)
Closing NAV	94.94	95.37	92.02
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	7.84	12.36	0.71
<b>Other information</b>			
Closing NAV (\$'000)	16,550	59,059	81,606
Number of shares	14,046,929	48,818,999	71,963,537
Operating charges (%)	0.53	0.53	0.53
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	97.66	98.30	97.21
Lowest share price (UK p)	94.31	92.16	88.17

## Sterling Class 'PP-H' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	123.42	109.38	108.42
Return before operating charges*	10.70	14.66	1.53
Operating charges	(0.68)	(0.62)	(0.57)
Return after operating charges*	10.02	14.04	0.96
Distributions	(9.88)	(9.23)	(5.11)
Retained distributions	9.88	9.23	5.11
Closing NAV	133.44	123.42	109.38
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	8.12	12.84	0.89
<b>Other information</b>			
Closing NAV (\$'000)	4,144	13,164	8,854
Number of shares	2,502,185	8,407,456	6,568,457
Operating charges (%)	0.53	0.53	0.53
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	133.92	124.45	110.65
Lowest share price (UK p)	123.51	109.54	100.36

# Financial highlights

## Sterling Class 'R-H' Income shares

The share class was launched on 11 September 2014.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	87.71	84.90	89.16
Return before operating charges*	7.29	10.97	1.05
Operating charges	(0.77)	(0.77)	(0.75)
Return after operating charges*	6.52	10.20	0.30
Distributions	(7.26)	(7.39)	(4.56)
Closing NAV	86.97	87.71	84.90
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	7.43	12.01	0.34
<b>Other information</b>			
Closing NAV (\$'000)	991	791	339
Number of shares	917,871	710,878	324,495
Operating charges (%)	0.88	0.88	0.88
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	89.71	90.41	90.02
Lowest share price (UK p)	86.56	85.04	81.44

## Sterling Class 'R-H' Accumulation shares

The share class was launched on 11 September 2014.

for the year to 31 January Change in NAV per share	2025 UK p	2024 UK p	2023 UK p
Opening NAV	134.26	119.38	118.76
Return before operating charges*	11.60	16.01	1.63
Operating charges	(1.22)	(1.13)	(1.01)
Return after operating charges*	10.38	14.88	0.62
Distributions	(10.24)	(9.61)	(5.18)
Retained distributions	10.24	9.61	5.18
Closing NAV	144.64	134.26	119.38
*after direct transaction cost of	0.00	0.00	0.00
<b>Performance</b>			
Return after charges (%)	7.73	12.46	0.52
<b>Other information</b>			
Closing NAV (\$'000)	589	444	191
Number of shares	327,958	260,687	129,555
Operating charges (%)	0.88	0.88	0.88
Direct transaction costs (%)	0.00	0.00	0.00
<b>Prices</b>			
Highest share price (UK p)	145.15	135.37	120.77
Lowest share price (UK p)	134.36	119.55	109.74

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 31 January	Note	2025		2024	
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Net capital gains/(losses)	3		(4,792)		20,056
Revenue	5	24,406		27,333	
Expenses	6	(1,785)		(1,946)	
Interest payable and similar charges		(10)		(5)	
Net revenue/(expense) before taxation		22,611		25,382	
Taxation	7	0		0	
Net revenue/(expense) after taxation			22,611		25,382
<b>Total return before distributions</b>			<b>17,819</b>		<b>45,438</b>
Distributions	8		(23,203)		(26,211)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(5,384)</b>		<b>19,227</b>

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

for the year to 31 January	2025		2024	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>323,476</b>		<b>307,788</b>
Amounts received on issue of shares	79,410		82,605	
Amounts paid on cancellation of shares	(147,426)		(101,155)	
		(68,016)		(18,550)
Dilution adjustments		264		587
Change in net assets attributable to shareholders from investment activities (see above)		(5,384)		19,227
Retained distributions on Accumulation shares		13,937		14,422
Unclaimed distributions		0		2
<b>Closing net assets attributable to shareholders</b>		<b>264,277</b>		<b>323,476</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 31 January	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		235,125	288,411
<b>Current assets</b>			
Debtors	9	3,109	7,796
Cash and bank balances	10	9,963	10,937
Cash equivalents		25,493	31,071
<b>Total assets</b>		<b>273,690</b>	<b>338,215</b>
<b>Liabilities</b>			
Investment liabilities		(2,790)	(1,061)
<b>Creditors</b>			
Overdrawn positions at futures clearing houses and collateral manager		(2,519)	(2,131)
Distribution payable		(1,799)	(2,513)
Other creditors	11	(2,305)	(9,034)
<b>Total liabilities</b>		<b>(9,413)</b>	<b>(14,739)</b>
<b>Net assets attributable to shareholders</b>		<b>264,277</b>	<b>323,476</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 January	2025 \$'000	2024 \$'000
Non-derivative securities	(12,954)	9,750
Derivative contracts	7,913	9,271
Currency gains/(losses)	249	1,035
<b>Net capital gains/(losses)</b>	<b>(4,792)</b>	<b>20,056</b>

# 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 January	2025 \$'000	2024 \$'000
<b>a) Purchases</b>		
Debt securities	152,420	100,170
<b>b) Sales</b>		
Debt securities	191,751	107,578
Other transaction types		
Corporate actions	1,011	0
<b>Total sales</b>	<b>192,762</b>	<b>107,578</b>
<b>c) There were no direct portfolio transaction costs</b>		
	%	%
<b>d) Indirect portfolio transaction costs</b>		
Average portfolio dealing spread as at the balance sheet date	0.80	0.93

## 5 Revenue

for the year to 31 January	2025 \$'000	2024 \$'000
Bank interest	59	76
Derivative revenue	1,378	1,655
Interest distributions	1,037	1,401
Interest on debt securities	22,112	24,128
Rebate of ongoing charges from underlying funds	16	21
Share class hedging revenue	(196)	52
<b>Total revenue</b>	<b>24,406</b>	<b>27,333</b>

## 6 Expenses

for the year to 31 January	2025 \$'000	2024 \$'000
<b>Payable to the ACD or associate</b>		
Annual charge	1,785	1,946
<b>Total expenses</b>	<b>1,785</b>	<b>1,946</b>

Audit fees for the financial year ending 2025 were £14,000 (2024: £13,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 7 Taxation

for the year to 31 January	2025 \$'000	2024 \$'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	0	0
Withholding tax	0	0
Deferred tax (note 7c)	0	0
<b>Total taxation</b>	<b>0</b>	<b>0</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	22,611	25,382
Corporation tax at 20%	4,522	5,076
<b>Effects of:</b>		
Interest distributions	(4,522)	(5,076)
<b>Total tax charge (note 7a)</b>	<b>0</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 in the current financial year (2024: same).

## 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 January	2025		2024	
	Inc \$'000	Acc \$'000	Inc \$'000	Acc \$'000
<b>Interest distributions</b>				
First interim	2,353	3,804	2,810	2,868
Second interim	2,415	3,698	3,463	3,599
Third interim	2,181	3,379	3,177	3,689
Final	1,799	3,056	2,513	4,266
Total net distributions		22,685		26,385
Income deducted on cancellation of shares		941		801
Income received on issue of shares		(423)		(975)
<b>Distributions</b>		<b>23,203</b>		<b>26,211</b>
Net revenue/(expense) per statement of total return		22,611		25,382
Expenses offset against capital		592		829
<b>Distributions</b>		<b>23,203</b>		<b>26,211</b>

# Financial statements and notes

## 9 Debtors

as at 31 January	2025 \$'000	2024 \$'000
Amounts receivable on issues of shares	341	421
Currency deals outstanding	486	3,931
Debt security interest receivable	2,028	3,144
Derivative revenue receivable	173	170
Distributions receivable	80	129
Rebate of ongoing charges from underlying funds	1	1
<b>Total debtors</b>	<b>3,109</b>	<b>7,796</b>

## 10 Cash and bank balances

as at 31 January	2025 \$'000	2024 \$'000
Cash held as bank balances	9,963	10,937
<b>Total cash and bank balances</b>	<b>9,963</b>	<b>10,937</b>

## 11 Other creditors

as at 31 January	2025 \$'000	2024 \$'000
Amounts payable on cancellation of shares	311	401
Annual charge payable	49	50
Currency deals outstanding	485	3,934
Purchases awaiting settlement	1,460	4,649
<b>Total other creditors</b>	<b>2,305</b>	<b>9,034</b>

## 12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2024: 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 01.02.24	Issued	Movements Cancelled	Converted	Closing 31.01.25
<b>Sterling</b>					
Class 'A-H' Income	2,335,624	285,126	(430,064)	0	2,190,686
Class 'A-H' Accumulation	2,690,196	314,268	(1,021,547)	0	1,982,917
Class 'E-H' Income	4,994,211	34,419,150	(12,612,586)	0	26,800,775
Class 'E-H' Accumulation	1,353,027	2,352,331	(602,790)	0	3,102,568
Class 'I-H' Income	39,170,461	13,303,816	(15,045,109)	0	37,429,168
Class 'I-H' Accumulation	108,489,046	9,149,932	(31,997,690)	0	85,641,288
Class 'PP-H' Income	48,818,999	720,401	(35,492,471)	0	14,046,929
Class 'PP-H' Accumulation	8,407,456	58,669	(5,963,940)	0	2,502,185
Class 'R-H' Income	710,878	349,813	(142,820)	0	917,871
Class 'R-H' Accumulation	260,687	711,317	(644,046)	0	327,958

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-H'	1.03
Class 'E-H'	0.43
Class 'I-H'	0.63
Class 'PP-H'	0.53
Class 'R-H'	0.88

## 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.

# Financial statements and notes

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

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

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 0.04% (2024: 0.03%) 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 January	Assets 2025 \$'000	Liabilities 2025 \$'000	Assets 2024 \$'000	Liabilities 2024 \$'000
Basis of valuation				
Level 1	18,417	0	26,587	0
Level 2	216,708	(2,790)	261,821	(1,061)
Level 3	0	0	3	0
	<b>235,125</b>	<b>(2,790)</b>	<b>288,411</b>	<b>(1,061)</b>

Level 3 assets comprise solely of House of Fraser Funding (2024: House of Fraser Funding) which is a defaulted bond.

## 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 period up to 5 March 2023 was 20%.

The VaR limit set for periods after 6 March 2023 was two times the benchmark.

# 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 January 2025 and 31 January 2024.

for the year to 31 January	2025 Utilisation of VaR 200%	from 6 March 2023 to 31 January 2024 Utilisation of VaR%	from 1 February 2023 to 5 March 2023 Utilisation of VaR 20%
Lowest	48.70	45.96	18.60
Highest	73.39	57.14	21.10
Average	62.27	50.88	19.82

## 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 January	2025 \$'000	2024 \$'000
Investment grade securities	18,417	26,587
Below investment grade securities	214,318	258,682
Unrated securities	0	3
Other investments	(400)	2,078
<b>Total</b>	<b>232,335</b>	<b>287,350</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 January 2025	Swaps \$'000	Forward currency contracts \$'000
Barclays Bank	2,343	0
BNP Paribas	0	(227)
Citigroup	0	(7)
HSBC	0	(2)
Standard Chartered Bank	0	14
State Street Bank	0	(2,521)
<b>Total</b>	<b>2,343</b>	<b>(2,743)</b>

# Financial statements and notes

as at 31 January 2024		Swaps \$'000	Forward currency contracts \$'000
Barclays Bank		1,953	0
BNP Paribas		0	7
HSBC		0	1,148
State Street Bank		0	(1,030)
<b>Total</b>		<b>1,953</b>	<b>125</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 January 2025 and 31 January 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 January	2025 \$'000	2025 %	2024 \$'000	2024 %
Lowest	507,118	186.68	578,415	185.90
Highest	1,875,201	596.99	1,927,741	612.90
Average	696,998	235.83	742,781	232.89

## 21 Exchange rate risk for hedged share classes

This fund contains hedged share classes. These share classes operate currency hedges designed to reduce the impact of exchange rates in certain circumstances. As a result, profit and loss on the currency hedges may impact the liquidity of the overall fund. On a day to day basis this is monitored using reporting from the outsourced provider of the hedged share class service. On an ongoing basis the size of the hedged share classes is monitored to ensure that unforeseen exchange rate volatility can be adequately managed without significantly impacting all shareholders.

# Financial statements and notes

The exposure to forward currency contracts for share class hedging at the year-end accounting date is disclosed in the portfolio statement on page 145.

## 22 Interest distribution tables

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

### Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.02.24	30.04.24	01.05.24	30.06.24
Second interim	01.05.24	31.07.24	01.08.24	30.09.24
Third interim	01.08.24	31.10.24	01.11.24	31.12.24
Final	01.11.24	31.01.25	03.02.25	31.03.25

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

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

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

### Sterling Class 'A-H' Income shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
First interim	0.3782	1.4514	1.8296	1.6392
Second interim	1.0539	0.8048	1.8587	1.8483
Third interim	0.9251	0.8584	1.7835	1.8782
Final	0.6277	1.0552	1.6829	1.9290

### Sterling Class 'A-H' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2025 UK p	2025 UK p	2025 UK p	2024 UK p
First interim	0.8534	1.5980	2.4514	2.0005
Second interim	0.7517	1.7929	2.5446	2.3119
Third interim	1.2193	1.2633	2.4826	2.4133
Final	1.2481	1.1228	2.3709	2.5423

# Financial statements and notes

## Sterling Class 'E-H' Income shares

Interest distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.7948	1.1347	1.9295	1.7200
Second interim	1.2411	0.7246	1.9657	1.9429
Third interim	1.0627	0.8263	1.8890	1.9780
Final	0.5727	1.2144	1.7871	2.0343

## Sterling Class 'E-H' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.6839	2.1477	2.8316	2.3120
Second interim	1.5849	1.3614	2.9463	2.6657
Third interim	0.3085	2.5788	2.8873	2.7800
Final	0.7555	2.0222	2.7777	2.9256

## Sterling Class 'I-H' Income shares

Interest distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.8690	1.0299	1.8989	1.6935
Second interim	0.9813	0.9498	1.9311	1.9128
Third interim	0.6464	1.2081	1.8545	1.9453
Final	0.7587	0.9945	1.7532	1.9997

## Sterling Class 'I-H' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	1.4095	1.2965	2.7060	2.2076
Second interim	1.4790	1.3315	2.8105	2.5468
Third interim	1.2090	1.5417	2.7507	2.6564
Final	1.1995	1.4407	2.6402	2.7975

# Financial statements and notes

## Sterling Class 'PP-H' Income shares

Interest distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	1.2880	0.7368	2.0248	1.7983
Second interim	0.8566	1.1962	2.0528	2.0309
Third interim	0.4291	1.5432	1.9723	2.0664
Final	0.8606	1.0041	1.8647	2.1248

## Sterling Class 'PP-H' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.8258	1.6260	2.4518	1.9968
Second interim	2.1055	0.4380	2.5435	2.3053
Third interim	2.4916	0.0000	2.4916	2.4023
Final	2.3944	0.0000	2.3944	2.5278

## Sterling Class 'R-H' Income shares

Interest distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	0.5452	1.3098	1.8550	1.6603
Second interim	1.4050	0.4803	1.8853	1.8724
Third interim	0.5160	1.2936	1.8096	1.9026
Final	0.9087	0.8008	1.7095	1.9558

## Sterling Class 'R-H' Accumulation shares

Interest distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2025 UK p	Equalisation 2025 UK p	2025 UK p	2024 UK p
First interim	1.4704	1.0747	2.5451	2.0759
Second interim	0.0000	2.6436	2.6436	2.4008
Third interim	0.5833	1.9992	2.5825	2.5049
Final	1.2187	1.2517	2.4704	2.6270

# Financial statements and notes

## 23 Events after the balance sheet date

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



# Other regulatory disclosures

## Remuneration

The below disclosure is made in accordance with Undertakings for Collective Investments in Transferable Securities ('UCITS') V and the Guidelines on sound remuneration policies under the UCITS issued by the European Securities and Markets Authority ('ESMA Guidelines').

M&G Securities Limited (the 'UCITS Management Company') is subject to a remuneration policy which is consistent with the principles outlined in the ESMA Guidelines.

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 UCITS funds managed by the UCITS Management Company. Further details of the remuneration policy can be found on our website: [mandgplc.com/our-business/mandg-investments/mandg-investments-business-policies](http://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.

M&G Securities Limited is required under UCITS 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 UCITS Management Company does not employ any staff directly. The 'Identified Staff' of M&G Securities Limited are those who could have a material impact on the risk profile of M&G Securities Limited or the UCITS funds it manages and generally includes senior management, risk takers and control functions. 'Identified Staff' typically provide both UCITS and non-UCITS related services and have a number of areas of responsibility across multiple entities. Therefore, only

the portion of remuneration for those individuals' services which may be attributable to UCITS is included in the remuneration figures disclosed. Accordingly the figures are not representative of any individual's actual remuneration. The information needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable.

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

	Fixed Remuneration £'000	Variable Remuneration (incl. carried interest) £'000	Total £'000	Beneficiaries
Senior Management	579	1,303	1,882	10
Other Identified Staff	3,044	17,814	20,858	21

