

M&G Global Macro Bond Fund

**Interim report and unaudited financial statements
for the six months ended 30 April 2024**

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Global Macro Bond Fund presents its interim report and unaudited financial statements for the six months ended 30 April 2024.

The unaudited financial statements of M&G Global Macro Bond Fund, the Authorised Corporate Director's Reports including the portfolio statement, financial highlights and the unaudited financial statements and notes of the fund are presented in their individual sections of this report as set out in the contents page.

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

Company information

This Open-Ended Investment Company (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 Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000. The Company is a UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA.

The Company was authorised on 26 January 2009 and the fund was launched on 1 May 2009.

The Company's principal activity is to carry out business as an 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.

Co-fund managers

Jim Leaviss & Eva Sun-Wai are employed by M&G FA Limited which is an associate of M&G Securities Limited.

Please note that effective as of 5 February 2024, Eva Sun-Wai appointed as co-fund manager.

ACD

M&G Securities Limited,
10 Fenchurch Avenue, London EC3M 5AG, UK
Telephone: 0800 390 390 (UK only)
(Authorised and regulated by the Financial Conduct Authority. M&G Securities Limited is a member of the Investment Association and of The Investing and Saving Alliance)

Directors of the ACD

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

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

Authorised Corporate Director's Report

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 2023 can be found on our website at mandg.com/investments/valueassessment

Climate-related Financial Disclosures (TCFD)

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

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

Important information

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

With effect from 5 February 2024, Eva Sun-Wai appointed as co-fund manager.

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

Investor information

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

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 the fund are prepared in accordance with the Investment Association Statement of Recommended Practice for Financial Statements of UK Authorised Funds (SORP) and UK Financial Reporting Standards, and give a true and fair view of the net revenue or expenses and net capital gains or losses for the accounting period, and the financial position at the end of that period.

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

Directors' statement

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

M&G Securities Limited
26 June 2024

Financial statements and notes

The financial statements for M&G Global Macro Bond Fund comprise the financial statements for the fund and the notes below.

Notes to the financial statements

Accounting policies

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 at least the next twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements. The ACD has made an assessment of the 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 interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 October 2023. They are prepared under the historical cost convention, as modified by the revaluation of investments, 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.

Authorised Corporate Director's Report

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

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income) net of the ongoing charge figure, than the average return of the Bloomberg Global Aggregate Index Unhedged USD over any five-year period.

Investment policy

At least 80% of the fund is invested, directly or indirectly through derivatives, in debt securities and in asset-backed securities. 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.

Other investments may include 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 on the debt securities held by the fund.

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

Investment approach

The fund is globally diversified across a range of debt securities from a variety of sectors and geographies. The fund's investment approach is based on the principle that returns from bond markets are driven by a combination of macroeconomic, asset class, sector, geographic and stock-level factors. As different factors dominate returns at different stages of the economic cycle, the fund manager applies a highly flexible investment approach, changing the blend of duration, credit and the allocation to the various types of bonds in the portfolio to weight them appropriately.

The fund manager also seeks to add value through active management of the fund's exposure to currencies.

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

Bloomberg Global Aggregate Index Unhedged USD

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

The fund is actively managed.

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

For 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.

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 six months ended 30 April 2024

Performance against objective

The M&G Global Macro Bond Fund recorded positive returns across all share classes in the period under review. The hedged share classes outperformed the benchmark*, whereas the unhedged share classes posted returns below that of the benchmark, which returned 1.2% in the period.

Over five years, the fund's unhedged share classes met the objective of providing a total return (the combination of capital growth and income), net of the ongoing charge figure, higher than the average return of the benchmark, which was -0.9% pa over this period. However, the fund's 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.

* The benchmark prior to 19 April 2021 was the IA Global Bonds Sector. From 19 April 2021 to 5 March 2023, it was the IA Global Mixed Bond Sector. Thereafter, the benchmark is the Bloomberg Global Aggregate Index Unhedged USD.

Performance review

The six months under review saw positive returns from global bond markets, with high yield bonds outperforming their less risky counterparts. Bonds from emerging markets led the charge, outshining all others, whilst government bonds from the US, UK, and Germany also yielded favourable returns.

During the initial months of the period, market sentiment was bolstered by the easing of inflationary pressures, optimism about the possibility of interest rate cuts by central banks, and a potential economic 'soft landing' in the US. The result was a powerful rally in November and December in both bond and equity markets.

Emerging market bonds rallied on the back of US dollar weakness. It was a similar story for corporate bonds, as tightening spreads (the narrowing difference in the yields of corporate bonds and government bonds of similar maturities) drove positive returns for investors. The US Federal Reserve (Fed) indicated an end to the rate hiking cycle and more cuts than the market anticipated in 2024, which helped many emerging market currencies outperform the US dollar towards the end of 2023.

The rally in the bond market, which began towards the close of 2023, faltered in 2024 as investors adjusted their expectations for potential interest rate reductions by central banks to a later date. This shift was prompted by persistent inflation in the US and robust economic data. Bond yields climbed in January and February (bond yields rise as bond prices fall), only to recoup some ground in March following the Federal Reserve's announcement that it anticipated implementing three rate cuts within the year. In April, global corporate bonds experienced a downturn as robust US economic figures, paired with heightened inflation, resulted in the prospect of rate cuts being pushed out further into 2024.

Authorised Corporate Director's Report

Against this backdrop, the fund delivered a positive return but underperformed its benchmark. Currency was the biggest driver of the fund's relative underperformance. The biggest positive performance driver was our yield curve positioning (in other words, where we focus on bonds of particular maturities in order to benefit from expected changes in interest rates across the yield curve. The yield curve is a graphical representation of the interest rates on debt for a range of maturities).

Investment activities

In terms of activity over the period, we decreased the fund's allocation to investment grade corporate bonds and government bond holdings while significantly hedging our credit exposure through credit default swaps (insurance-like contracts that allow an investor to transfer the risk of default – non-payment of interest or principal – of a bond to another investor). As a result, we had a short position (which seeks to profit from a fall in the price of an asset) in high yield bonds by the end of April. This left the fund with a lower spread duration (sensitivity to changes in investors' perception of corporate borrowers' creditworthiness) by the end of the period.

In terms of interest-rate duration (which measures sensitivity to changes in interest rates), we decreased our position in euro-denominated bonds while our US exposure was largely unchanged.

In November, we continued to de-risk the portfolio by selling some holdings, mostly financials but also some corporate bonds that did well. We took profits on some local currency Colombian bonds after significant strength in the local currency. We also reduced risk in emerging markets by buying protection on the credit default swap index after a rally in credit spreads.

In December, we reduced duration at the margin as government bonds rallied, by selling some euro futures and Canadian sovereign bonds. In corporate bonds, we reduced positions in a number of high yield bonds, as we wanted to position ourselves defensively. We reduced exposure to French telecommunications firm

Iliad, German firms Mahle, and ZF Finance, as well as to UK bank Natwest.

In January, we added some long duration Japanese government bonds as we felt the yield curve was surprisingly steep. In investment grade credit, we participated in new issues that we found attractive, such as Belgian bank Crelan, utility Thames Water, and Bank of America. We sold our holdings of Harley-Davidson Financial Services, European residential real estate Heimstaden Bostad, and some financial companies' bonds. In emerging markets, we added a Mexican government bond maturing in 2032.

In February, we continued to reduce credit risk at the margin and maintained our very selective approach to new issues. We reduced some utilities names where we saw spreads narrowing strongly and sold some financial floating rate bonds.

In March, we continued to reduce credit risk. We also increased protection through the investment grade credit default swaps index to reduce overall investment grade risk.

In April, we continued to reduce credit risk with quite a meaningful reduction in spread duration during the month and remain very selective when monitoring new issues. We sold a number of names including Canadian pharmaceutical company Bausch Health, French utilities company Engie and bank Société Générale, and global technology group Prosus. We continued to maintain our short exposure to high yield corporate bonds. We sold certain emerging market bonds including long-dated Mexican government bonds.

From a currency perspective, our US dollar exposure was maintained at around 40% throughout the period.

Outlook

The macroeconomic environment remains supportive for the asset class, in our opinion. Inflationary pressures are slowly easing, while growth remains supported by a healthy labour market. However, we believe that the more likely scenario for this year is not a soft landing, but a slowdown followed by central banks cutting interest rates.

Authorised Corporate Director's Report

In this environment, we prefer to be exposed to government bonds and longer duration holdings, which we believe should perform well as rates decline.

Jim Leaviss & Eva Sun-Wai

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 30.04.24 \$'000	as at 30.04.24 %	as at 31.10.23 %
	Fixed income	1,103,891	94.98	98.49
	Debt securities	1,113,969	95.85	98.81
	'AAA' credit rated bonds	174,809	15.04	15.03
AU\$54,900,000	Australia (Commonwealth of) 1.75% 21/06/2051	19,481	1.68	
€6,000,000	Blackrock European XII FRN 4.828% 17/01/2035	6,361	0.55	
€8,972,104	Germany (Federal Republic of) 0.5% 15/02/2025	9,405	0.81	
€5,313,928	Germany (Federal Republic of) 1.8% 15/08/2053	4,695	0.40	
€24,870,000	Germany (Federal Republic of) 2.5% 13/03/2025	26,466	2.28	
€16,783,716	Germany (Federal Republic of) IL 0.1% 15/04/2026	22,029	1.90	
€15,396,000	Germany (Federal Republic of) IL 0.5% 15/04/2030	20,730	1.78	
£1,689,745	Hops Hill No. 1 FRN 6.1598% 27/05/2054	2,120	0.18	
INR863,620,000	International Finance 6.3% 25/11/2024	10,302	0.89	
€1,752,203	Jubilee Place 2021-1 FRN 4.718% 17/07/2058	1,883	0.16	
€4,444,000	Margay CLO FRN 5.856% 15/07/2036	4,788	0.41	
€11,110,000	Netherlands (Kingdom of) 2.5% 15/07/2033	11,634	1.00	
NOK145,589,000	Norway (Kingdom of) 1.75% 13/03/2025	12,924	1.11	
NOK151,027,000	Norway (Kingdom of) 1.75% 17/02/2027	12,942	1.11	
£157,979	Precise Mortgage Funding 2020-1B FRN 6.1395% 16/10/2056	198	0.02	
€5,513,000	RRE 5 Loan Management FRN 4.856% 15/01/2037	5,848	0.50	
€2,819,000	Voya Euro III FRN 4.826% 15/04/2033	3,003	0.26	
	'AA' credit rated bonds	465,088	40.02	41.14
US\$4,500,000	Apple 1.125% 11/05/2025	4,307	0.37	
US\$6,647,000	Apple 2.65% 08/02/2051	4,093	0.35	
€18,300,000	Belgium (Kingdom of) 0.35% 22/06/2032	15,972	1.37	
CA\$18,986,000	Canada (Govt. of) 3.75% 01/02/2025	13,768	1.18	
€1,263,000	Deutsche Bahn Finance 3.625% 18/12/2037	1,360	0.12	
€12,442,438	European Union 3.25% 04/07/2034	13,556	1.17	
€3,400,000	France (Govt. of) 3% 25/05/2054	3,329	0.29	
US\$2,135,000	Metropolitan Life Global Funding I FRN 6.2639% 21/03/2025	2,146	0.18	
€7,376,000	New York Life Global Funding 0.25% 23/01/2027	7,262	0.63	
£3,937,000	New York Life Global Funding 0.75% 14/12/2028	4,113	0.35	
£4,563,000	New York Life Global Funding 1.25% 17/12/2026	5,191	0.45	

Portfolio statement

Investments (continued)

Holding		as at 30.04.24 \$'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)				
Debt securities (continued)				
'AA' credit rated bonds (continued)				
NZD35,953,000	New Zealand (Govt. of) 0.5% 15/05/2026	19,574	1.68	
NZD27,715,000	New Zealand (Govt. of) 3.5% 14/04/2033	14,864	1.28	
£16,020,737	UK Treasury 3.5% 22/10/2025	19,715	1.70	
£6,794,418	UK Treasury 3.75% 22/07/2052	7,213	0.62	
£17,379,252	UK Treasury 3.75% 22/10/2053	18,351	1.58	
£14,364,287	UK Treasury 4.125% 29/01/2027	17,840	1.54	
£12,520,000	UK Treasury IL 0.125% 22/03/2046	17,928	1.54	
US\$13,540,000	US Treasury 0.25% 15/06/2024	13,451	1.16	
US\$66,102,300	US Treasury 3% 15/11/2044	50,042	4.31	
US\$12,876,500	US Treasury 3% 15/02/2047	9,555	0.82	
US\$9,586,500	US Treasury 3% 15/08/2052	6,959	0.60	
US\$47,675,400	US Treasury 3.375% 15/08/2042	39,101	3.36	
US\$43,098,500	US Treasury 4.125% 15/11/2032	41,529	3.57	
US\$6,800,000	US Treasury IL 0.125% 15/04/2026	7,673	0.66	
US\$38,298,300	US Treasury IL 0.75% 15/02/2045	36,876	3.17	
US\$14,886,200	US Treasury IL 1% 15/02/2049	13,591	1.17	
US\$36,244,100	US Treasury IL 2.375% 15/01/2027	55,729	4.80	
	'A' credit rated bonds	98,217	8.45	8.45
€1,400,000	Allianz Var. Rate 2.625% Perpetual	1,152	0.10	
€4,800,000	Banco Bilbao Vizcaya Argentaria 1.75% 26/11/2025	4,996	0.43	
US\$1,848,000	Bank of America Var. Rate 5.468% 23/01/2035	1,802	0.15	
£2,500,000	Bank of America Var. Rate 3.584% 27/04/2031	2,870	0.25	
€4,000,000	Banque Fédérative du Crédit Mutuel 0.625% 21/02/2031	3,466	0.30	
€4,500,000	BPCE 0.25% 15/01/2026	4,552	0.39	
CLP5,400,000,000	Chile (Republic of) 4.7% 01/09/2030	5,334	0.46	
€3,576,000	Comcast 0% 14/09/2026	3,527	0.30	
£3,536,000	Comcast 5.5% 23/11/2029	4,551	0.39	
US\$1,911,000	Comcast 5.5% 15/11/2032	1,926	0.17	
US\$2,501,000	International Business Machines 1.7% 15/05/2027	2,251	0.19	
¥2,623,250,000	Japan (Govt. of) 0.4% 20/03/2056	10,482	0.90	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 \$'000	as at 30.04.24 %	as at 31.10.23 %	
Fixed income (continued)				
Debt securities (continued)				
'A' credit rated bonds (continued)				
€3,153,000 John Deere Bank 5.125% 18/10/2028	3,984	0.34		
€6,820,000 JPMorgan Chase Var. Rate 1.001% 25/07/2031	6,216	0.53		
US\$6,000,000 JPMorgan Chase Var. Rate 1.045% 19/11/2026	5,584	0.48		
€296,002 Ludgate Funding FRN 4.068% 01/01/2061	306	0.03		
US\$506,000 MetLife 5% 15/07/2052	453	0.04		
€3,295,000 Morgan Stanley Var. Rate 0.497% 07/02/2031	2,927	0.25		
€4,039,000 Nationwide Building Society 2% 28/04/2027	4,127	0.35		
US\$6,000,000 Nationwide Building Society 4.85% 27/07/2027	5,871	0.51		
£4,364,000 Nestlé 2.125% 04/04/2027	5,064	0.44		
€2,666,000 Nestlé Finance International 3.25% 15/01/2031	2,865	0.25		
€5,000,000 PepsiCo 0.25% 06/05/2024	5,362	0.46		
US\$1,772,000 Société Générale 4.677% 15/06/2027	1,726	0.15		
US\$3,158,000 UBS Var. Rate 6.246% 22/09/2029	3,206	0.28		
US\$2,062,000 Walt Disney 3.8% 13/05/2060	1,496	0.13		
€2,323,000 Wolters Kluwer 0.75% 03/07/2030	2,121	0.18		
'BBB' credit rated bonds		305,419	26.28	27.29
US\$2,751,000 AIB Var. Rate 6.608% 13/09/2029	2,808	0.24		
US\$5,500,000 Barclays Var. Rate 7.437% 02/11/2033	5,952	0.51		
€3,500,000 BNP Paribas 2.1% 07/04/2032	3,287	0.28		
£2,909,000 BNP Paribas 3.375% 23/01/2026	3,518	0.30		
£3,900,000 BPCE 6.125% 24/05/2029	4,950	0.43		
€4,444,000 Bulgaria (Republic of) 4.625% 23/09/2034	5,024	0.43		
€2,945,000 CBRE Global Investors 0.5% 27/01/2028	2,752	0.24		
€1,200,000 Cooperatieve Rabobank Var. Rate 4.875% Perpetual	1,195	0.10		
£2,616,000 Coventry Building Society Var. Rate 5.875% 12/03/2030	3,254	0.28		
£2,573,000 Coventry Building Society Var. Rate 7% 07/11/2027	3,302	0.28		
€3,200,000 Crelan Var. Rate 5.25% 23/01/2032	3,572	0.31		
€3,819,000 Croatia (Republic of) 1.125% 04/03/2033	3,370	0.29		
£5,000,000 Deutsche Bank Var. Rate 6.125% 12/12/2030	6,231	0.54		
€2,700,000 EDF 4.625% 25/01/2043	2,934	0.25		

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 \$'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£4,400,000 EDF 5.5% 25/01/2035	5,314	0.46	
US\$2,459,000 EDF 5.7% 23/05/2028	2,466	0.21	
£4,410,000 Goldman Sachs 4.25% 29/01/2026	5,426	0.47	
£2,521,000 Hiscox 6% 22/09/2027	3,178	0.27	
£2,500,000 HSBC 7% 07/04/2038	3,328	0.29	
€2,163,000 Iccrea Banca Var. Rate 4.25% 05/02/2030	2,313	0.20	
IDR279,162,000,000 Indonesia (Republic of) 8.25% 15/05/2036	18,539	1.60	
IDR150,897,000,000 Indonesia (Republic of) 8.375% 15/03/2034	10,000	0.86	
US\$841,000 ING Var. Rate 4.252% 28/03/2033	761	0.07	
€6,990,000 Italy (Republic of) 3.25% 01/03/2038	6,851	0.59	
€9,589,000 Italy (Republic of) 5.75% 01/02/2033	11,836	1.02	
US\$2,017,000 Lowe's 4.25% 01/04/2052	1,564	0.13	
MYR31,485,000 Malaysia (Govt. of) 4.254% 31/05/2035	6,719	0.58	
€3,696,000 Mexico (United Mexican States) 4.4899% 25/05/2032	3,955	0.34	
MXN270,000,000 Mexico (United Mexican States) 5% 06/03/2025	15,156	1.30	
£1,880,000 Mexico (United Mexican States) 5.625% 19/03/2114	1,777	0.15	
MXN113,356,000 Mexico (United Mexican States) 8.5% 18/11/2038	5,905	0.51	
MXN150,000,000 Mexico (United Mexican States) 10% 05/12/2024	8,773	0.76	
US\$1,215,011 Mitchells & Butlers Finance FRN 6.0653% 15/12/2030	1,102	0.09	
£747,976 Mitchells & Butlers Finance FRN 6.0692% 15/12/2033	811	0.07	
£1,279,000 National Gas Transmission 5.75% 05/04/2035	1,595	0.14	
€5,045,000 National Grid 0.25% 01/09/2028	4,676	0.40	
£2,136,000 Nationwide Building Society Var. Rate 6.178% 07/12/2027	2,705	0.23	
US\$3,777,000 Nationwide Building Society Var. Rate 6.557% 18/10/2027	3,839	0.33	
US\$3,266,000 NatWest Var. Rate 4.892% 18/05/2029	3,106	0.27	
£2,294,000 Northumbrian Water 6.375% 28/10/2034	2,923	0.25	
US\$5,000,000 Oracle 6.25% 09/11/2032	5,199	0.45	
PEN57,000,000 Peru (Republic of) 6.15% 12/08/2032	14,434	1.24	
PEN38,450,000 Peru (Republic of) 6.9% 12/08/2037	9,825	0.85	
PHP465,000,000 Philippines (Republic of) 6.25% 14/01/2036	7,557	0.65	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 \$'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
€905,000 Prosus 1.288% 13/07/2029	824	0.07	
US\$2,330,000 PVH 4.625% 10/07/2025	2,289	0.20	
€2,641,000 Romania (Republic of) 1.75% 13/07/2030	2,298	0.20	
US\$7,790,000 Romania (Republic of) 3.625% 27/03/2032	6,464	0.56	
€3,377,000 Romania (Republic of) 6.625% 27/09/2029	3,887	0.33	
£1,009,000 Severn Trent Utilities Finance 2.625% 22/02/2033	1,006	0.09	
£1,471,000 Severn Trent Utilities Finance 4.625% 30/11/2034	1,690	0.15	
£2,114,000 Severn Trent Utilities Finance 5.25% 04/04/2036	2,554	0.22	
€3,507,000 Smurfit Kappa Treasury ULC 1.5% 15/09/2027	3,485	0.30	
£2,341,000 Southern Water Services Finance 3% 28/05/2037	1,991	0.17	
€3,276,000 Spain (Kingdom of) 1% 30/07/2042	2,271	0.20	
€5,161,000 Spain (Kingdom of) 1.9% 31/10/2052	3,693	0.32	
€18,000,000 Spain (Kingdom of) 2.55% 31/10/2032	18,402	1.58	
€3,914,000 Takeda Pharmaceutical 1.375% 09/07/2032	3,529	0.30	
£2,840,000 Thames Water Utilities Finance 3.5% 25/02/2028	3,008	0.26	
UYU231,778,943 Uruguay (Republic of) 3.875% 02/07/2040	8,369	0.72	
UYU154,282,874 Uruguay (Republic of) 8.25% 21/05/2031	3,834	0.33	
€3,428,000 Verizon Communications 0.75% 22/03/2032	2,960	0.25	
US\$1,325,000 Warnermedia 4.054% 15/03/2029	1,213	0.10	
£3,200,000 Yorkshire Power Finance 7.25% 04/08/2028	4,240	0.36	
£3,054,000 Yorkshire Water Finance 5.25% 28/04/2030	3,630	0.31	
'BB' credit rated bonds	67,911	5.84	6.12
COP17,889,000,000 Bogota Distrito Capital 9.75% 26/07/2028	4,322	0.37	
BRL72,600,000 Brazil (Federal Republic of) 10% 01/01/2025	14,158	1.22	
BRL43,094,000 Brazil (Federal Republic of) 10% 01/01/2029	8,072	0.69	
COP47,137,200,000 Colombia (Republic of) 7.75% 18/09/2030	10,837	0.93	
US\$3,000,000 Dominica (Republic of) 5.3% 21/01/2041	2,468	0.21	
US\$3,022,000 Dominica (Republic of) 6.85% 27/01/2045	2,886	0.25	
US\$2,014,000 Paraguay (Republic of) 5.6% 13/03/2048	1,737	0.15	
US\$4,511,000 Paraguay (Republic of) 6.1% 11/08/2044	4,185	0.36	

Portfolio statement

Investments (continued)

Holding		as at 30.04.24 \$'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)				
Debt securities (continued)				
'BB' credit rated bonds (continued)				
€3,544,000	Serbia (Republic of) 1% 23/09/2028	3,189	0.27	
€2,726,000	Serbia (Republic of) 1.65% 03/03/2033	2,158	0.19	
ZAR347,401,394	South Africa (Republic of) 9% 31/01/2040	13,899	1.20	
'B' credit rated bonds		0	0.00	0.44
'CCC' credit rated bonds		0	0.00	0.10
'CC' credit rated bonds		2,405	0.21	0.00
ARS100,000,000	Argentina (Republic of) 15.5% 17/10/2026	64	0.01	
US\$2,751,744	Buenos Aires (Province of) 6.375% 01/09/2037	1,211	0.10	
US\$4,000,000	Ukraine (Republic of) 7.75% 01/09/2028	1,130	0.10	
'C' credit rated bonds		0	0.00	0.23
'D' credit rated bonds		120	0.01	0.01
€2,808,101	Silverback Finance 3.1261% 25/02/2037	120	0.01	
Debt derivatives		(10,078)	(0.87)	(0.32)
Credit default swaps		(6,484)	(0.56)	0.06
US\$(36,000,000)	Markit CDX Emerging Markets Series 39 V1 5 Year Jun 2028	578	0.05	
US\$(14,300,000)	Markit CDX Emerging Markets Series 40 V1 5 Year Dec 2028	326	0.03	
US\$(35,280,000)	Markit CDX North American High Yield Series 39 V2 5 Year Dec 2027	(2,537)	(0.22)	
US\$(32,200,000)	Markit CDX North American Investment Grade Series 39 V1 5 Year Dec 2027	(721)	(0.06)	
US\$(34,300,000)	Markit CDX North American Investment Grade Series 41 V1 5 Year Dec 2028	(809)	(0.07)	
€(15,786,560)	Markit iTraxx Europe Crossover Series 38 V1 5 Year Dec 2027	(1,568)	(0.14)	
€(34,000,000)	Markit iTraxx Europe Senior Financial Series 38 V1 5 Year Dec 2027	(743)	(0.06)	
€(12,450,000)	Markit iTraxx Europe Series 38 V1 5 Year Dec 2027	(296)	(0.03)	
€(73,000,000)	Markit iTraxx Europe Subordinated Financials Index Series 38 V1 5 Year Dec 2027	(714)	(0.06)	
Interest rate swaps		(11)	0.00	0.01
¥11,650,000,000	Pay 0.2181% Receive VAR Oct 2025	(11)	0.00	

Portfolio statement

Investments (continued)

Holding	as at 30.04.24 \$'000	as at 30.04.24 %	as at 31.10.23 %
Fixed income (continued)			
Debt derivatives (continued)			
Interest rate futures	(3,583)	(0.31)	(0.39)
110 Euro-Oat Jun 2024	(184)	(0.01)	
317 10 Year US Treasury Note Jun 2024	(649)	(0.06)	
975 2 Year US Treasury Note Jun 2024	(1,821)	(0.16)	
190 US Long Bond Jun 2024	(929)	(0.08)	
Currency	(1,540)	(0.13)	(0.08)
Forward currency contracts	(1,540)	(0.13)	(0.08)
¥5,665,000,000 Bought for €33,991,480 (expires 24.07.24)	(37)	0.00	
SEK200,000,000 Bought for €17,132,852 (expires 24.07.24)	(117)	(0.01)	
€2,447,130 Bought for £2,106,208 (expires 24.07.24)	(8)	0.00	
¥3,550,000,000 Bought for £18,337,168 (expires 24.07.24)	(97)	(0.01)	
CA\$16,975,000 Bought for US\$12,454,021 (expires 24.07.24)	(33)	0.00	
¥24,787,246,540 Bought for US\$160,392,035 (expires 24.07.24)	(433)	(0.04)	
MXN(553,100,000) Sold for US\$31,619,236 (expires 24.07.24)	(540)	(0.05)	
NZD(47,470,000) Sold for US\$28,288,807 (expires 24.07.24)	51	0.01	
PEN(34,500,000) Sold for US\$9,209,578 (expires 24.07.24)	(28)	0.00	
£(108,810,797) Sold for US\$136,218,572 (expires 24.07.24)	(298)	(0.03)	
Share class hedging	364	0.03	(0.06)
Forward currency contracts for share class hedging	364	0.03	(0.06)
£17,157,682 Bought for US\$21,134,407 (expires 22.05.24)	384	0.03	
£(1,091,860) Sold for US\$1,349,369 (expires 22.05.24)	(20)	0.00	
Total portfolio	1,102,715	94.88	98.35
Net other assets/(liabilities)	59,556	5.12	1.65
Net assets attributable to shareholders	1,162,271	100.00	100.00

Portfolio statement

Top ten portfolio transactions for the six months to 30 April 2024

Largest purchases	\$'000
South Africa (Republic of) 9% 31/01/2040	15,509
Norway (Kingdom of) 1.75% 13/03/2025	15,062
European Union 3.25% 04/07/2034	13,900
Japan (Govt. of) 0.4% 20/03/2056	11,699
UK Treasury 3.75% 22/10/2053	7,070
Thames Water Utilities Finance 7.125% 30/04/2031	6,774
US Treasury IL 0.75% 15/02/2045	6,576
Mexico (United Mexican States) 4.4899% 25/05/2032	4,025
France (Govt. of) 3% 25/05/2054	3,482
Creland Var. Rate 5.25% 23/01/2032	3,477
Other purchases	13,179
Total purchases	100,753

Largest sales	\$'000
US Treasury IL 2.375% 15/01/2027	32,370
US Treasury 0.25% 15/06/2024	23,987
Italy (Republic of) 5.75% 01/02/2033	22,220
US Treasury 3% 15/08/2052	15,285
Norway (Kingdom of) 3% 14/03/2024	15,120
Canada (Govt. of) 4% 01/06/2041	14,245
South Africa (Republic of) 8.75% 28/02/2048	12,658
US Treasury IL 0.75% 15/02/2045	10,788
Germany (Federal Republic of) 1.8% 15/08/2053	9,610
US Treasury 4.125% 15/11/2032	9,092
Other sales	229,904
Total sales	395,279

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+0.3	-3.0	-0.7	+2.4
Class 'A' Accumulation	+0.4	-3.0	-0.7	+2.4
Class 'A-H' Income	+2.9	-7.3	-2.5	n/a
Class 'A-H' Accumulation	+3.0	-7.2	-2.4	n/a
Class 'I' Income	+0.5	-2.6	-0.2	+2.9
Class 'I' Accumulation	+0.6	-2.6	-0.2	+2.9
Class 'I-H' Income	+3.4	-6.8	-2.0	n/a
Class 'I-H' Accumulation	+3.3	-6.8	-2.0	n/a
Class 'J' Income	+0.6	-2.6	-0.2	n/a
Class 'J-H' Income	+3.1	-6.9	-2.1	n/a
Class 'PP' Income	+0.6	-2.5	n/a	n/a
Class 'PP' Accumulation	+0.6	-2.5	-0.1	n/a
Class 'PP-H' Income	+3.2	-6.8	n/a	n/a
Class 'R' Income	+0.4	-2.9	-0.5	+2.6
Class 'R' Accumulation	+0.4	-2.8	-0.5	+2.6
Class 'R-H' Income	+3.0	-7.1	-2.3	n/a
Class 'R-H' Accumulation	+3.0	-7.1	-2.3	n/a
Benchmark^b	+1.2	-3.8	-0.9	+1.7

^a Not annualised.

^b The benchmark prior to 19 April 2021 was the IA Global Bond Sector average. From 19 April 2021 to 5 March 2023 it was the IA Global Mixed Bond Sector average. Thereafter it is Bloomberg Global Aggregate Index Unhedged USD.

Comparative tables

'Operating charges' are calculated as a percentage of average net asset value and represents an annual rate. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 15 October 1999.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	6,901	7,401	9,344
Number of shares	7,775,479	8,398,829	10,309,830
Closing NAV per share (UK p)	70.77	72.35	78.55
Operating charges (%)	1.03	1.03	1.03

Sterling Class 'A' Accumulation shares

The share class was launched on 15 October 1999.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	11,977	12,975	19,588
Number of shares	7,454,745	8,323,399	12,742,392
Closing NAV per share (UK p)	128.11	128.01	133.24
Operating charges (%)	1.03	1.03	1.03

Sterling Class 'A-H' Income shares

The share class was launched on 7 August 2015.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	21	20	20
Number of shares	23,060	23,060	23,060
Closing NAV per share (UK p)	71.09	70.85	73.87
Operating charges (%)	1.06	1.06	1.06

Sterling Class 'A-H' Accumulation shares

The share class was launched on 7 August 2015.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	22	21	20
Number of shares	19,714	19,714	19,714
Closing NAV per share (UK p)	89.33	87.01	86.92
Operating charges (%)	1.06	1.06	1.06

Sterling Class 'I' Income shares

The share class was launched on 16 December 2011.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	354,046	378,048	411,258
Number of shares	258,761,354	278,845,772	296,092,641
Closing NAV per share (UK p)	109.10	111.34	120.39
Operating charges (%)	0.63	0.63	0.63

Sterling Class 'I' Accumulation shares

The share class was launched on 16 December 2011.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	653,564	735,735	948,583
Number of shares	361,222,138	419,931,806	551,209,058
Closing NAV per share (UK p)	144.28	143.87	149.16
Operating charges (%)	0.63	0.63	0.63

Sterling Class 'I-H' Income shares

The share class was launched on 7 August 2015.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	257	287	311
Number of shares	277,425	320,376	353,590
Closing NAV per share (UK p)	73.86	73.46	76.30
Operating charges (%)	0.66	0.66	0.66

Sterling Class 'I-H' Accumulation shares

The share class was launched on 7 August 2015.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	17,773	31,164	18,032
Number of shares	15,154,380	28,198,562	17,305,333
Closing NAV per share (UK p)	93.52	90.76	90.31
Operating charges (%)	0.66	0.66	0.66

Financial highlights

Sterling Class 'J' Income shares

The share class was launched on 4 May 2018.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	250	281	1,706
Number of shares	226,917	256,917	1,523,141
Closing NAV per share (UK p)	87.97	89.77	97.07
Operating charges (%)	0.63	0.63	0.63

Sterling Class 'J-H' Income shares

The share class was launched on 4 May 2018.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	22	22	26
Number of shares	23,620	23,620	28,620
Closing NAV per share (UK p)	75.40	75.00	77.92
Operating charges (%)	0.66	0.66	0.66

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	106,880	184,950	233,308
Number of shares	107,531,321	187,883,045	231,584,541
Closing NAV per share (UK p)	79.26	80.84	87.32
Operating charges (%)	0.53	0.53	0.53

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	5,295	5,470	1,935
Number of shares	4,254,105	4,540,548	1,637,319
Closing NAV per share (UK p)	99.25	98.93	102.46
Operating charges (%)	0.53	0.53	0.53

Sterling Class 'PP-H' Income shares

The share class was launched on 28 April 2021.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	1,861	3,343	10,197
Number of shares	2,024,402	3,767,132	11,691,127
Closing NAV per share (UK p)	73.31	72.88	75.60
Operating charges (%)	0.56	0.56	0.56

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	648	694	747
Number of shares	503,049	543,049	568,929
Closing NAV per share (UK p)	102.76	104.99	113.81
Operating charges (%)	0.88	0.88	0.88

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	2,594	2,434	2,508
Number of shares	1,556,387	1,506,420	1,576,278
Closing NAV per share (UK p)	132.91	132.70	137.92
Operating charges (%)	0.88	0.88	0.88

Financial highlights

Sterling Class 'R-H' Income shares

The share class was launched on 7 August 2015.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	69	58	49
Number of shares	75,999	65,999	56,513
Closing NAV per share (UK p)	72.25	71.95	74.91
Operating charges (%)	0.91	0.91	0.91

Sterling Class 'R-H' Accumulation shares

The share class was launched on 7 August 2015.

	30.04.24	31.10.23	31.10.22
Closing NAV (\$'000)	91	87	83
Number of shares	79,609	80,931	81,437
Closing NAV per share (UK p)	90.94	88.50	88.30
Operating charges (%)	0.91	0.91	0.91

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2024		2023	
	\$'000	\$'000	\$'000	\$'000
Income				
Net capital gains/(losses)		24,376		135,584
Revenue	30,005		40,019	
Expenses	(4,090)		(5,517)	
Interest payable and similar charges	(9)		(15)	
Net revenue/(expense) before taxation	25,906		34,487	
Taxation	(133)		(171)	
Net revenue/(expense) after taxation		25,773		34,316
Total return before distributions		50,149		169,900
Distributions		(27,418)		(36,492)
Change in net assets attributable to shareholders from investment activities		22,731		133,408

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2024		2023	
	\$'000	\$'000	\$'000	\$'000
Opening net assets attributable to shareholders		1,362,990		1,657,715
Amounts received on issue of shares	30,571		366,645	
Amounts paid on cancellation of shares	(269,029)		(343,982)	
		(238,458)		22,663
Dilution adjustments		396		928
Change in net assets attributable to shareholders from investment activities (see above)		22,731		133,408
Retained distributions on Accumulation shares		14,611		20,200
Unclaimed distributions		1		0
Closing net assets attributable to shareholders		1,162,271		1,834,914

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2024 \$'000	31 October 2023 \$'000
Assets		
Fixed assets		
Investments	1,115,308	1,356,616
Current assets		
Debtors	14,312	191,054
Cash and bank balances	46,280	50,132
Cash equivalents	5,259	14,461
Total assets	1,181,159	1,612,263
Liabilities		
Investment liabilities	(12,593)	(16,175)
Creditors		
Bank overdrafts	0	(8,817)
Overdrawn positions at futures clearing houses and collateral manager	0	(39)
Distribution payable	(5,796)	(4,235)
Other creditors	(499)	(220,007)
Total liabilities	(18,888)	(249,273)
Net assets attributable to shareholders	1,162,271	1,362,990

Financial statements and notes

Notes to the financial statements

Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 4.

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.

