

1 April 2022 to 31 March 2023



M&G Investment funds
Annual Value
Assessment Report

Overview from the Board of M&G Securities Limited

The Board of M&G Securities Limited (MGSL) is pleased to publish our fourth annual assessment of the value provided to investors in each of MGSL's UK-based funds (hereafter M&G funds).

The Board has a duty to act independently on behalf of investors and this report is designed to show how M&G is delivering value against a defined set of criteria ranging from the quality of service investors receive, to whether funds are fairly and competitively priced, as well as long-term investment performance. You can read about these criteria, as well as the Board and our role in the Value Assessment, over the coming pages.

The Financial Conduct Authority (FCA) has issued guidance regarding the avoidance of customer harm under updated rules referred to as Consumer Duty. Four outcomes are in focus and this report covers directly the topic of Price and Value, and indirectly the three other topics of Products and Services, Consumer Understanding and Consumer Support. The Board has given whole-hearted attention to Consumer Duty and views that the continuing focus on good customer outcomes will support providing value to investors, which we report upon within this and future such reports.

Our commitment to delivering value

As this is our fourth annual assessment of value, the process is now well established, yet we remain committed to enhancing and improving the methodology and analysis. For example, last year we placed a focus on external evidence for the quality of services delivered. This year, we have added qualitative analysis to our methodology, through the use of a sample survey to engage directly with investors on their experience of the service they receive from M&G, rather than how the Board interprets this service. The insight from investors has been used to improve services such as withdrawing money from online accounts. The Board were pleased to hear that M&G call centre staff are knowledgeable and helpful in assisting investors with managing their investments. The Board are committed to continuing to refine and develop engagement and feedback from investors.

Whilst our findings this year are largely positive, where we have found issues we have investigated and sought to address them promptly. We report on the steps we are taking to address these issues, as well as the action we took to resolve issues identified in the 2022 report, on page 5. The Board continues to seek value on behalf of our investors, and we hope this report provides investors with clarity, transparency and confidence in the value they receive. We welcome any suggestions and feedback on this report.



Laurence Mumford
Chair of M&G Securities Limited,
on behalf of the MGSL Board

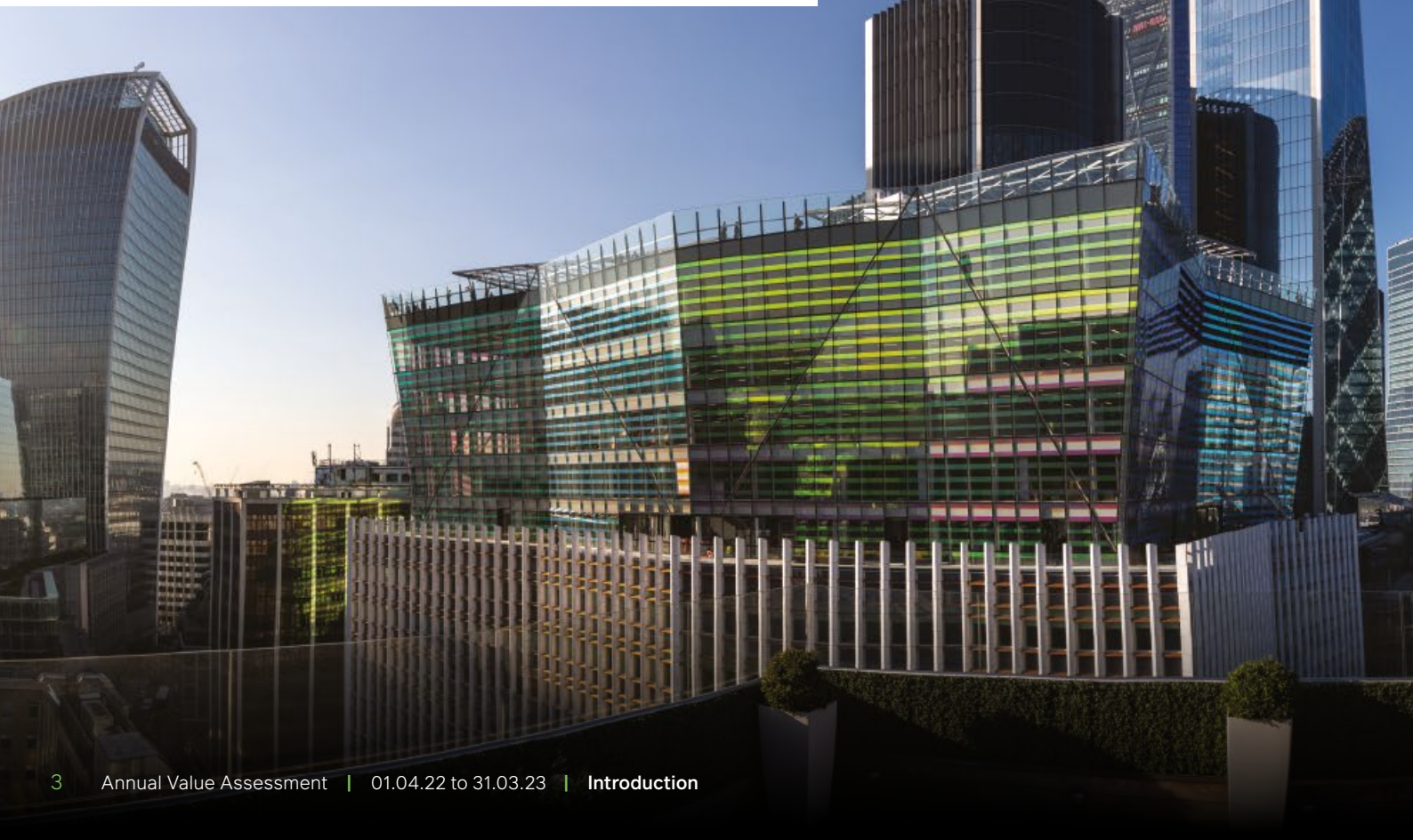
Introducing the Board

It has always been our responsibility, as the Board of M&G Securities Limited, to ensure your interests are being well served. We, the Board, act in our official role as the Authorised Corporate Director (ACD) of M&G funds. We have a duty and commitment to providing our investors with independent monitoring and management of M&G's funds. This fourth annual review of value report is a welcome opportunity for us to communicate how we do this.

Our independent oversight and role

Carolan Dobson and Michelle McGrade bring extensive experience to the Board and Value Assessment report, remaining as non-executive directors with no financial links to M&G Investments (M&G hereafter) or its parent company, M&G plc.

We work closely with stakeholders in various business areas across M&G throughout the year, to deliver on the trust you expect from us. None of our Board members are fund managers, ensuring our work is independent and away from any conflicts of interest. The Assessment report is published annually, but it is the culmination of the thorough assessment of value we perform on each fund throughout the year on behalf of our investors.



The Board



Laurence Mumford Chairman of M&G Securities Limited (MGSL) and a board member since 2004

Laurence is Distribution Governance Director for M&G Investments, where he is responsible for oversight of the framework of governance across the distribution function. Laurence is a chartered accountant and, prior to joining M&G in 2000, worked at PricewaterhouseCoopers. Laurence holds a degree in mathematics from the University of Exeter.



Neal Brooks Global Head of Product & Distribution at M&G Investments, and an MGSL board member since 2021

Neal is responsible for product development and investment solutions, and works closely with wholesale and institutional clients globally. Neal joined the company in 1996 and has held a variety of roles, including leading the development of M&G's Multi-Asset business. Neal holds a PhD in Physics and a degree in Chemical Physics.



Carolan Dobson Independent non-executive director of MGSL since 2018

Carolan has over 30 years' experience in financial services, and spent her executive career at Murray Johnstone and Abbey National Asset Managers. Carolan was a non-executive director of Nest and chaired the Investment Committee. She was also a member of the Competition and Markets Authority, sitting on a number of significant competition inquiries. Currently, Carolan also chairs a number of investment trusts and pension funds.



Sean Fitzgerald Chief Financial Officer of M&G Investments and an MGSL board member since 2020

Sean is responsible for all finance regulated functions associated with M&G's investment management business. Prior to joining M&G in 2019, Sean was CFO of Aberdeen Standard Investments, the asset management arm of Standard Life Aberdeen. Sean holds a degree in Economics from Manchester Metropolitan University and is a Fellow of the Institute of Chartered Accountants, England and Wales.



Phil Jelfs Global Head of Product at M&G Investments and an MGSL board member since 2013

As Global Head of Product, Phil is responsible for the development and management of asset management products at M&G. Prior to joining M&G in 2006, Phil was a management consultant focused on strategic change and product within the UK asset management industry. Phil holds an MBA and a degree in Geography and War Studies from Kings College, London.



Michelle McGrade Independent non-executive director of MGSL since 2018

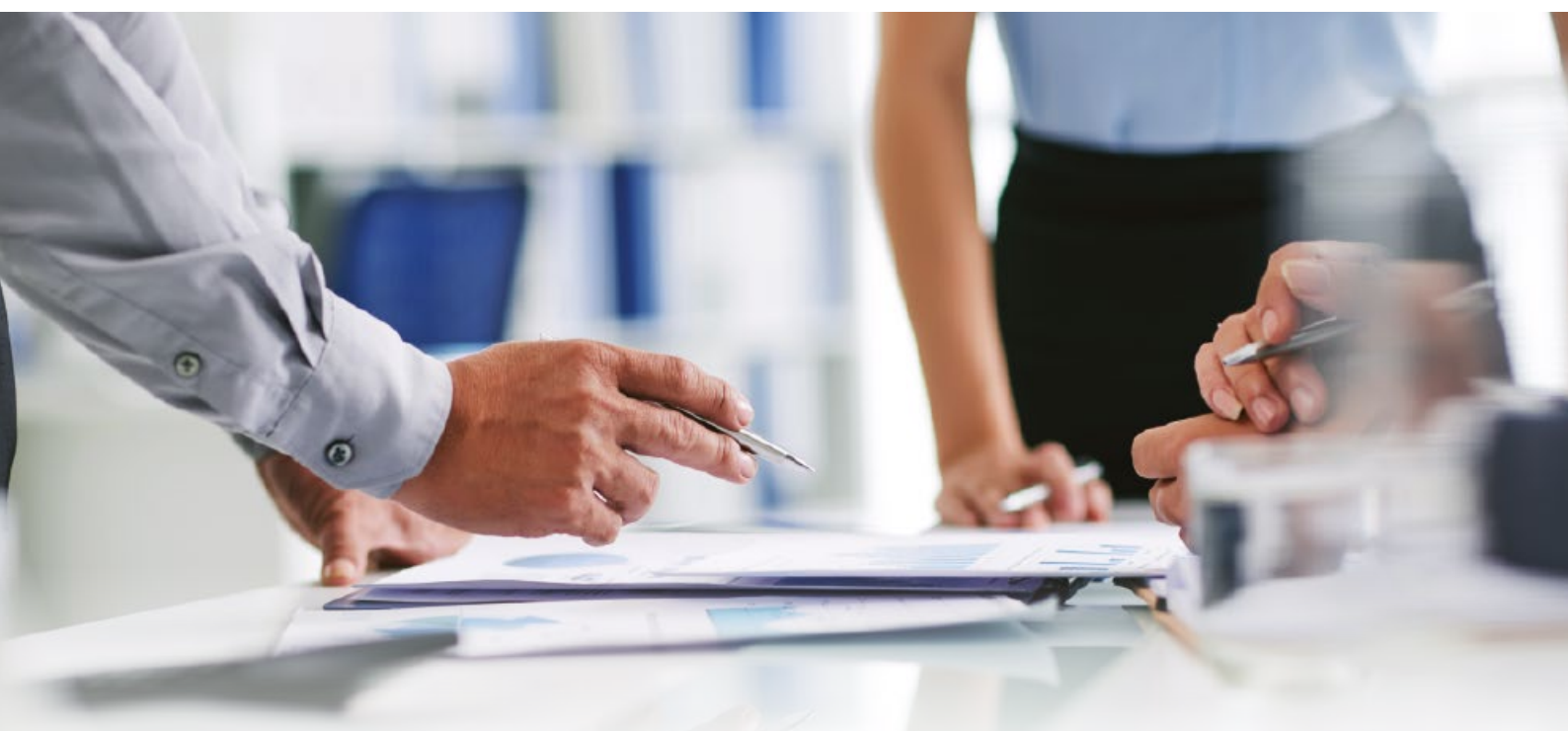
Michelle has over 30 years' experience in investment management and financial services and spent her executive career at companies such as Coutts, TD Direct Investing (now Interactive Investor) and Virgin Money. She previously sat on the Sainsbury's Pension Schemes' Investment Committee. Michelle is now an advisor to the Investment Committee of Wealthify and is a non-executive director of The Diverse Income Trust.

Action to improve value for investors

In the 2022 assessment, we identified certain issues where we found value could be improved, which undermined the overall value delivered to you in some

funds. In the table below, you will see the steps taken to resolve these issues:

The issues last year	Our action since the last Value Assessment
<p>M&G Absolute Return Bond Fund Criteria 2. Investment performance The fund had consistently fallen short of its performance target.</p>	<p>Following reviews into performance and size, the fund closed on 13 July 2023. Investors will have received a letter outlining their options and actions they may wish to consider.</p>
<p>M&G Recovery Fund Criteria 2. Investment performance The fund had consistently fallen short of its performance target.</p>	<p>The fund failed to meet its performance objective last year and was rated as 'unsatisfactory'. This year, the Recovery Fund has been assessed as 'unsatisfactory' again given its performance outcomes have been below target for a sustained period.</p> <p>We, the Board, continue to closely review and monitor performance and strategy alongside the CIO of Equities, Multi Asset and Sustainability. We are disappointed that the fund has not yet delivered improved performance, and expect M&G to take further steps to enhance investment outcomes for our investors.</p>
<p>MyM&G Criteria 1. Quality of services The service did not fully meet its client servicing target.</p>	<p>M&G's online-based service, myM&G, was rated as 'must improve' last year following an increase in customer complaint resolution times. The Board notes improvements during the review period including enhanced oversight, improved security controls and digital updates across the platform.</p> <p>Despite these enhancements, myM&G has been rated as 'must improve' again under the 'quality of services' criterion this year. This is due to the number of customer calls to the service with longer than expected response times than we would have liked. Website chat availability for investors was also impacted for several months due to various technical issues. We have raised these issues with the business and are closely following the remedial steps that are being implemented.</p>



Summary of findings

This Value Assessment covers the 12 months up to 31 March 2023. After careful consideration of all seven criteria we find that most M&G funds have delivered value to investors in this period. A fund is regarded as offering value to investors where the overall rating is either 'satisfactory', 'good' or 'outstanding'.

In last year's report, we noted that M&G had made steady progress in delivering better value to investors. This year, the path of improvement has continued with 96.4% of share classes (by AUM) rated as 'satisfactory' or above; a slight improvement to last year's assessment. Overall, the funds reviewed are also competitively priced, in our view, with 51 out of 54 funds priced below the median of competitor funds, offering value for money to our investors.

Economies of scale

We are encouraged that compared to previous assessments, overall, the funds have also improved under the Performance and Economies of Scale criteria. The economies of scale mechanism has been rated as 'outstanding' this year. Our findings show that M&G is ahead of its peers when passing on economies of scale and the current mechanism is comprehensive and transparent for our investors.

Since the economies of scale discount was introduced, M&G has made other reductions in some fees resulting in enhanced value to investors.

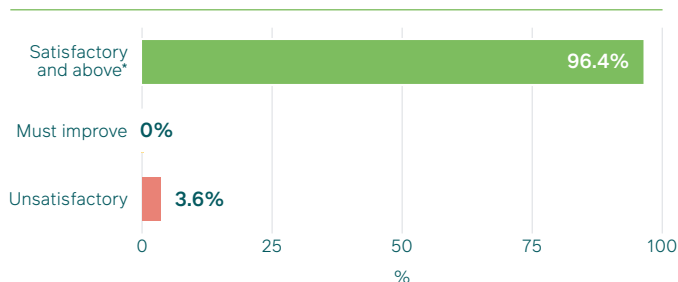
Investment performance

In terms of performance, the Board believes there has been progress with a slight improvement overall across the funds from last year's assessment. This is also encouraging given the market backdrop during the review period. Financial markets were particularly volatile, driven by interest rate hikes, soaring inflation and concerns over slowing global economic growth.

The Board believes that against adverse market conditions, and within the same framework of the assessment used, there has been a small improvement in the overall value delivered to our investors.

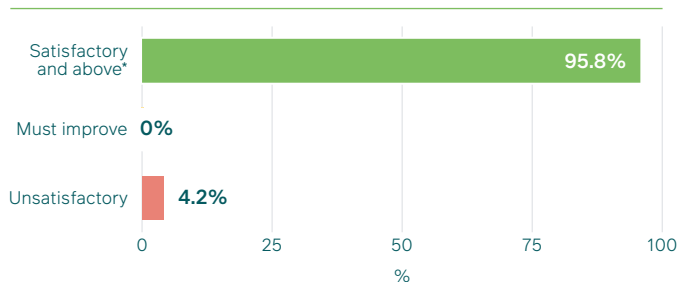
Overall fund ratings 2023

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



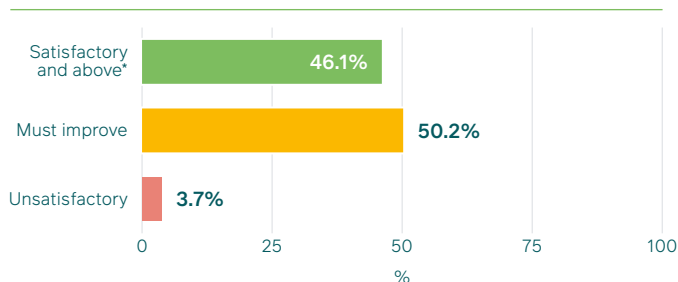
Overall fund ratings 2022

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



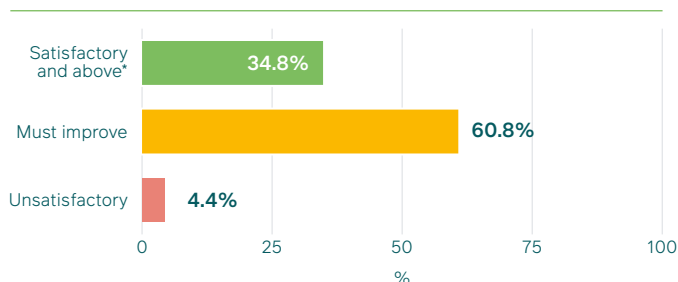
Investment performance ratings 2023

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



Investment performance ratings 2022

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



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

We understand that investors consider investment performance to be a key determinant of value from the funds. It is for this reason that we place considerable weighting on the performance criterion, although it is not the only consideration when deciding if a fund has delivered value.

The Board is encouraged to see the overall picture going in the right direction with a reduction in the number of share classes that are rated as 'must improve' down to 50.2% from 60.8% last year. This year, seven funds have been upgraded from a 'must improve' rating last year to 'satisfactory' while the M&G Global Macro Bond Fund moved up from 'good' to an 'outstanding' rating.

For the funds that are not currently offering value under the performance criterion, the Board will be monitoring their performance closely. We note that for some funds, changes have been implemented, such as the appointment of a new fund manager which will require time to yield results.

The Board looks to independent evidence to evaluate its assessment. It is noted that the recent Investment Week Fund Manager of the Year Awards recognised the M&G Japan Fund and the M&G Asian Fund, while the overall 'Group of the Year Award' was presented to M&G Investments. This recognition supports the Board's own findings of where and how value is being provided and the improvements taking place at M&G.

Quality of services

In terms of quality of service, the Board has critically examined the process and methodology used this year and is satisfied that we are seeing a consistent and good level of service being provided to investors, thus the 'quality of services' criterion remains rated as 'satisfactory' this year. Enhancements have been made to the Fund Centre Platform during the review period, and there is increased availability of digital support for investors. Additionally, M&G has expanded the breadth and frequency of its webinar investor events, addressing relevant topics such as Sustainability Disclosure Requirements (SDR) and global market outlooks. Feedback from investors has indicated that these events have proven both valuable and informative.

Actions for future focus

We have identified some issues this year, and these include the online service myM&G, rated as 'must improve', and the M&G Recovery Fund, which again has been rated as 'unsatisfactory'. We expect M&G to take the necessary action to improve investment outcomes for investors and you can be assured that the Board will be paying close attention to the actions taken. Investment teams and internal M&G business areas are already reviewing the action needed to resolve issues which we have challenged them on. We look forward to reporting on the improvements that have been made in the next Value Assessment.



Changes since last year's report

In the review period, M&G launched one new fund, the M&G Sustainable Global Corporate Bond Fund, as part of its ongoing commitment to developing and integrating sustainable offerings into its fund range. We have not assessed the performance of this and other recently launched funds which have not yet reached the timeframe (typically five years) in their investment objectives. However, we continue to monitor their progress and have considered all other relevant criteria in this assessment.

In June 2023, following a product review the M&G European Corporate Bond Fund merged into the M&G Strategic Corporate Bond Fund. We have reported

on both funds in this year's report and we will continue to assess the newly merged fund in next year's report. The M&G European Index Tracker Fund closed on 30 June 2023 and the M&G Emerging Markets Monthly Income Fund closed on 13 July 2023, given their lack of viability. Investors will have received a letter outlining their options and actions they may wish to consider.

We also note several fund benchmark changes during the review period, including for the M&G Optimal Income Fund, the M&G Strategic Corporate Bond Fund and the M&G Corporate Bond Fund. Details of all fund benchmark changes during the review period can be found on pages 72-80 in the 'fund benchmarks' section of the report.



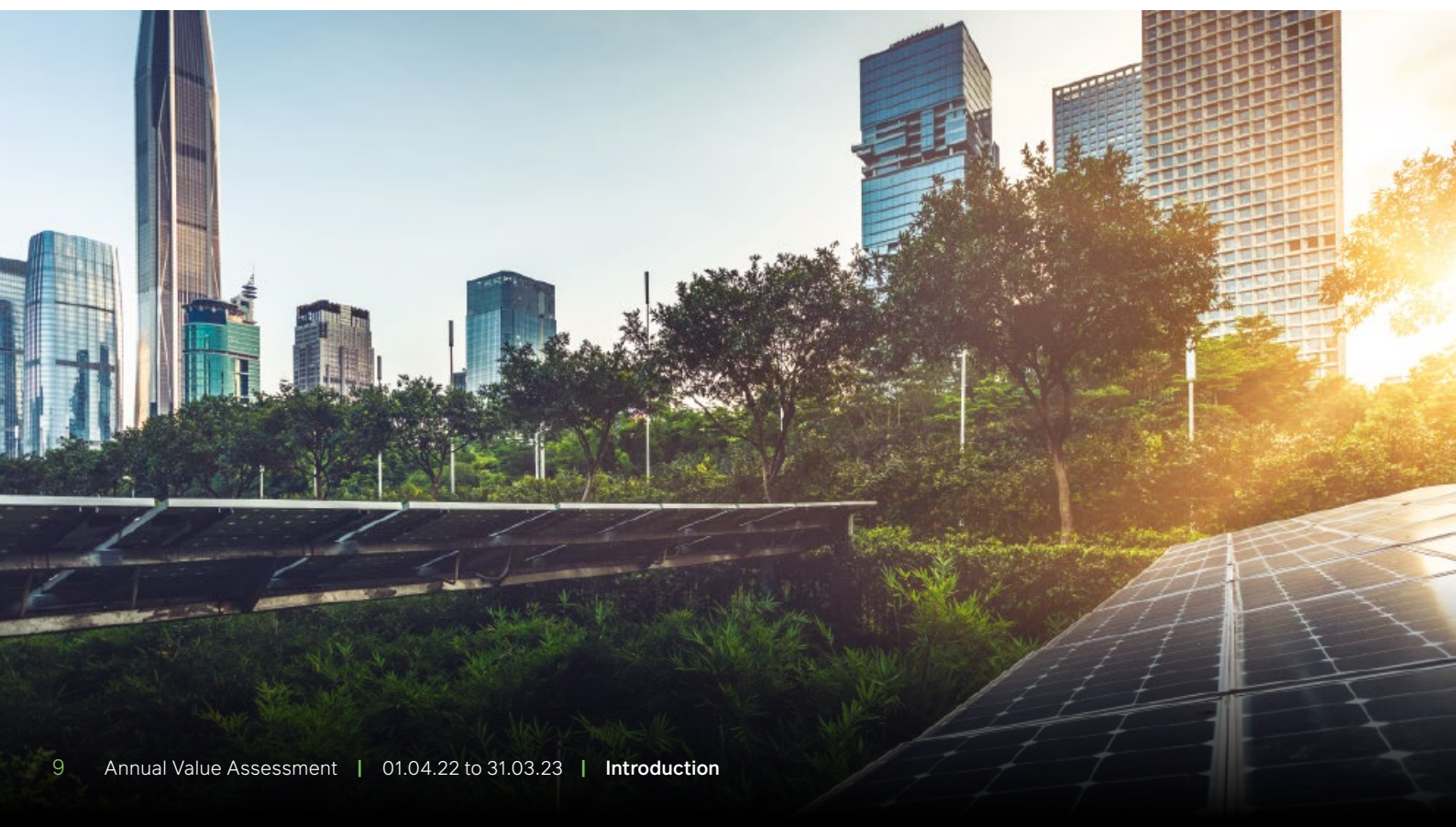
Incorporation of Environmental, Social and Governance (ESG) factors into investing

Sustainability is a key focus area for the Board in delivering this Value Assessment report to you. In order to be categorised as 'Sustainable', M&G funds allocate to investments that are expected to provide an investment return and contribute to environmental and/or social objectives. Investors are increasingly focused on ESG aspects of investing and we continue to develop our reporting and monitoring of ESG funds on your behalf, including sustainability outcomes when these are contained in fund objectives.

We are pleased to see recent M&G fund developments include the conversion of the M&G Global High Yield ESG Bond to the M&G Sustainable Global High Yield Bond in May 2022. The Board also notes positive improvements made as M&G continues to develop its Planet+ range of funds, which target long-term financial returns and seek to influence beneficial change on the environment or society.

In July 2022, M&G's UK Select Fund converted to the M&G UK Sustain Paris Aligned Fund to deliver more sustainable outcomes. Investors have yet to experience a full year's worth of benefits since the change and we will continue to monitor this given the FCA's awaited guidance on its Sustainable Disclosure Requirements, the labelling for Sustainability purposes.

The Board has reviewed non-financial fund objectives such as Sustainability or Environmental, Social and Governance (ESG) outcomes, where applicable. Sustainability elements, notably the ESG components of funds, in this report are not captured as a separate service. We consider sustainability under our assessment of 'investment performance', which covers security selection and stewardship/engagement, and we have assessed the steps taken by funds specifying non-financial objectives towards meeting those objectives. For these funds, our opinions on performance against the non-financial objectives or considerations are included under 'Focus on sustainability'. This will be discussed in more detail in the 'Performance' section of each fund page that follows.



How to use this report

This Report reflects our assessment of the value delivered to investors in M&G's wide range of funds over the assessment period. Our analysis for each fund is listed in alphabetical order. **Rather than scrolling through this document, you can navigate to the fund that you are interested in by simply clicking on that fund name on the fund ratings page.**

You can navigate back to the fund ratings page by clicking on this blue button on the top-right of every page:

[Go to fund ratings →](#)

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

What you need to know

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

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

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

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

How to check your M&G holdings

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

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

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

How we assess value

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

FCA Criteria

1. Quality of services

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



- Investment services and framework**
 These include investment capability, strategy, decision making, trading and stewardship.
- Fund and asset servicing**
 These are our middle office and back office functions and services which are vital to the effective running of our funds. This includes pricing, audit, operational risk, oversight, custody and reporting.
- Authorised Corporate Director**
 The Board of MGSL are responsible for ensuring funds are run in the best interests of investors.
- Brand**
 The integrity and strength of the M&G brand, as valued by investors.
- Client services**
 The investors' experience and those services that are directly provided to investors, such as the online, phone and postal services used by M&G's direct customers and the support we provide to professional investors.

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

2. Investment performance

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



3. Costs of the Authorised Fund Manager (AFM)

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



4. Economies of scale

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



5. Comparable market rates

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



For each fund in this report, we have visually compared the annual charge of the fund's 'primary' share class against the median average of its competitors (ie the peer group that the fund is part of). This peer group is often an independent fund's sector, as classified by Morningstar or the Investment Association (IA). Where the sector is deemed insufficient, a custom peer group has been used that we believe best reflects the characteristics of the fund in question. The share class used for comparison is typically the 'Sterling I' share class, since this is the one usually available through third party distributors of our UK-based funds.

6. Comparable M&G services

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



7. Share classes

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



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

Our value rating scale

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

Outstanding

Where a fund has delivered exceptional value to its investors.



Good

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



Satisfactory

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



Must improve

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



Unsatisfactory

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



Overall fund ratings

Summary of value by fund

Fund name	A	R	I	PP	Page	
M&G Better Health Solutions Fund	2	2	2	2	14	<p>In this summary we have only included the overall value ratings for the most common Sterling share classes in our funds.</p> <p>Please note that these overall ratings are to be understood alongside, not instead of, the ratings awarded to each of a fund's share classes by criteria.</p> <p>Please click through to our assessment of a fund (by clicking on the fund name or page number) for details of all share classes, including non-Sterling ones.</p> <p>For certain funds, the ratings shown in this table are for different share classes to those indicated. These are highlighted in the table as follows:</p> <p>*These funds only have one share class, 'Sterling', whose overall rating is presented under 'A' in this table.</p> <p>Remember, different share classes carry different charges, meaning investment returns will be higher on share classes with lower annual charges. The share class you hold will depend on how you invest with M&G.</p>
M&G Charibond Charities Fixed Interest Fund (Charibond)*	2	□	□	□	17	
M&G Charity Multi Asset Fund*	2	□	□	□	20	
M&G Climate Solutions Fund	2	2	2	2	23	
M&G Episode Income Fund	3	3	3	3	26	
M&G Equities Investment Fund for Charities (Charifund)*	3	□	□	□	29	
M&G Global Dividend Fund	3	3	2	2	32	
M&G Global Listed Infrastructure Fund	2	□	2	2	35	
M&G Global Sustain Paris Aligned Fund	3	3	3	2	38	
M&G Optimal Income Fund	3	3	3	3	41	
M&G Positive Impact Fund	2	2	2	2	44	
M&G Short Dated Corporate Bond Fund	1	□	1	1	47	
M&G Strategic Corporate Bond Fund	3	2	2	2	50	
M&G Sustainable Global High Yield Bond Fund (previously known as M&G Global High Yield ESG Bond Fund)	2	2	2	2	53	
M&G Sustainable Multi Asset Balanced Fund	2	2	2	2	56	
M&G Sustainable Multi Asset Cautious Fund	2	2	2	2	59	
M&G Sustainable Multi Asset Fund	2	2	2	2	62	
M&G Sustainable Multi Asset Growth Fund	2	2	2	2	65	
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Key

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

M&G Better Health Solutions Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. We find that value has been achieved across all criteria, although we are unable to assess the fund’s performance against its objectives as the fund only recently launched in June 2021. We are pleased to report that investors benefit from annual charges that we find to be lower than most competitors. Overall, we find that ‘good’ value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.10%	2	3	□	3	2	2	3	2
Sterling I	0.70%	2	3	□	3	2	1	3	2
Sterling PP	0.60%	2	3	□	3	2	1	3	2
Sterling R	0.95%	2	3	□	3	2	2	3	2
Sterling Z	0.00%	2	3	□	3	2	□	3	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being 'satisfactory'.

2. Investment performance



The fund has two aims:

- To provide a higher total return (capital growth plus income), net of the Ongoing Charges Figure, than the MSCI World Index (Gross) over any five-year period.
- To invest in companies that deliver solutions to the challenge of better health and well-being.

Having only recently launched, the fund's performance cannot be assessed against its objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-0.48%	17.07%	11.34%
Sterling A	-4.7%	-	-
Sterling I	-4.3%	-	-
Sterling PP	-3.7%	-	-
Sterling R	-4.6%	-	-
Sterling Z	-3.7%	-	-

Past performance is not a guide to future performance.

Benchmark: MSCI World Index (Gross)

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability



In our opinion, the fund has demonstrated that its investment universe is driven by ESG themed considerations. We therefore rate its performance against these considerations as 'good'.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as 'satisfactory'. The fund recently launched and is less than three years old, so the fund's AFM costs cannot be fully assessed against the criterion.

4. Economies of scale

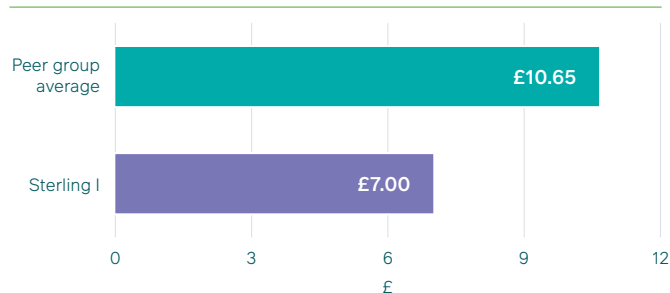


Based on our assessment of economies of scale across the fund range and at the fund level, we rate all share classes in the fund as 'good'. The fund recently launched and is less than three years old, so the fund's economies of scale cannot be fully assessed against the criterion.

5. Comparable market rates

The fund's annual charges are lower than the average for competitor funds, so we rate the share classes to be at least 'good' value.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'satisfactory'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Charibond Charities Fixed Interest Fund (Charibond)

Conclusions from the Value Assessment

We conclude that the fund has delivered value to the charities that invest in it over the review period. The fund launched in November 2019 so we are unable to assess the fund’s performance against its objective. We are pleased to report the fund’s economies of scale criterion is rated as ‘outstanding’, and that the fund’s charges are the lowest amongst competitor funds. Overall, we find that ‘good’ value has been delivered to investors.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling	0.30%	2	3	4	3	1	1	4	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being 'satisfactory'.

2. Investment performance



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 a composite index* comprising one half Gilts and one half UK corporate bonds, over any five-year period.

Having only recently launched, the fund's performance cannot be assessed against its objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-6.9%	-3.0%	-
Sterling	-5.0%	-1.7%	-

Past performance is not a guide to future performance.

Benchmark: *Composite Index 50% of the ICE BoAML 1-15 Gilt Index; 50% of the ICE BoAML 1-15 Non-Gilt Index

The benchmark is shown in Sterling.
For details, please refer to 'fund benchmarks' in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as 'satisfactory'.

4. Economies of scale

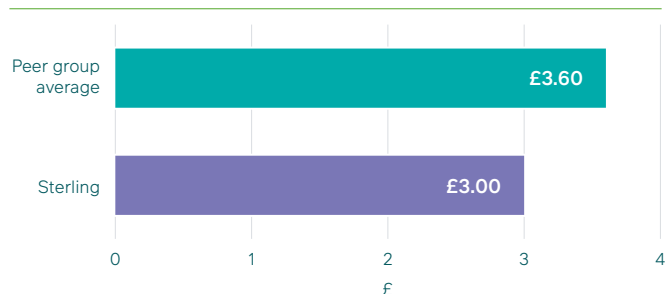


Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as 'outstanding'.

5. Comparable market rates

The fund's annual charges are the least expensive among competitor funds, so we rate the fund as 'outstanding'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

6. Comparable M&G services

There are no similar funds or mandates that are managed by M&G, so no rating is made.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Charity Multi Asset Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to the charities that invest in it over the review period. We find that value has been achieved across all criteria although, having launched in November 2019, we are unable to fully assess the fund’s performance against the investment objective. We are pleased to report that the fund is rated ‘outstanding’ under the comparable market rates criterion, where the fund’s annual charges are lower than most competitors. Overall, the fund is rated as delivering ‘good’ value to investors.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling	0.55%	2	3	□	2	2	1	□	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being 'satisfactory'.

2. Investment performance



The fund has two aims:

- To provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than that of a composite index* over any five-year period.
- To provide an annual yield of at least 3%.

There is no guarantee that the fund will achieve its investment objective over this, or any other period. The income distributions and the value of investments may rise and fall and investors may not recoup the amount they originally invested.

Having only recently launched, the fund's performance cannot be assessed against its objective; however, the fund has met the yield objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-0.4%	10.5%	-
Sterling	1.1%	13.0%	-

Past performance is not a guide to future performance.

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

The benchmark is shown in Sterling. For details, please refer to 'fund benchmarks' in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as 'good'.

4. Economies of scale

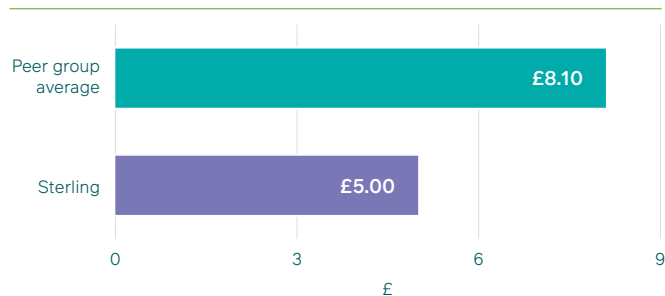


Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as 'good'.

5. Comparable market rates

The fund's annual charges are less expensive than most competitor funds, so we rate the fund as 'outstanding'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

6. Comparable M&G services

There are no similar funds or mandates that are managed by M&G, so no rating is made.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Climate Solutions Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. We find that value has been achieved across most criteria, although the fund launched in November 2020, so we are unable to fully assess the fund's performance against its objectives over a five-year period. The fund benefits from share classes being rated as 'good' or 'outstanding' under the comparable market rates criterion. Overall, we are pleased to report that 'good' value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.13%	2	3	□	3	2	2	3	2
Sterling I	0.73%	2	3	□	3	2	1	3	2
Sterling Z	0.03%	2	3	□	3	2	□	3	2
Sterling PP	0.63%	2	3	□	3	2	1	3	2
Sterling R	0.98%	2	3	□	3	2	2	3	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services

Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being ‘satisfactory’.

2. Investment performance

The fund has two aims:

- To provide a higher total return (the combination of capital growth and income), net of the Ongoing Charges Figure, than the MSCI World Index (Gross) over any five-year period.
- To invest in companies that aim to deliver solutions to the challenge of climate change.

Having only recently launched, the fund’s performance cannot be assessed against its financial objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-0.5%	17.1%	11.3%
Sterling A	-3.2%	-	-
Sterling I	-2.8%	-	-
Sterling Z	-2.1%	-	-
Sterling PP	-2.7%	-	-
Sterling R	-3.0%	-	-

Past performance is not a guide to future performance.

Benchmark: MSCI World Index (Gross)

The benchmark is shown in Sterling. For details, please refer to ‘fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund’s assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability

In our opinion, the fund is well aligned with its impact objective, having demonstrated how the revenues of portfolio holdings stem from activities aligned to the UN Sustainable Development Goals. We therefore rate its performance against non-financial considerations as ‘good’.

3. Costs of the AFM

The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as ‘satisfactory’. The fund recently launched and is less than three years old, so the fund’s AFM costs cannot be fully assessed against the criterion.

4. Economies of scale

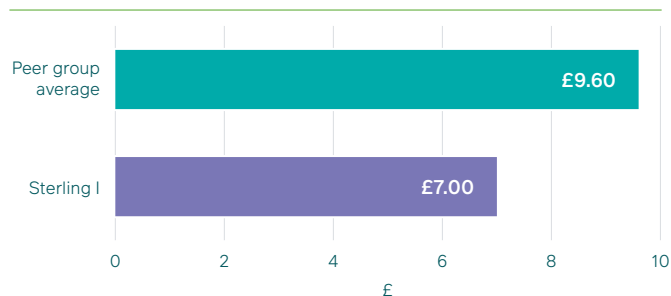
Based on our assessment of economies of scale across the fund range and at the fund level, we rate all share classes in the fund as ‘good’. The fund recently launched and is less than three years old, so the fund’s economies of scale cannot be fully assessed against the criterion.

5. Comparable market rates



The fund's annual charges are lower than the average for competitor funds, so we rate the share classes as at least 'good' with some share classes rated as 'outstanding'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services



No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'satisfactory'.

7. Share classes



We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Episode Income Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. We find that value has been achieved across most criteria, except the fund’s performance criterion which has been rated as ‘must improve’. The fund remains cautiously positioned with a high cash position, in order to respond dynamically if further volatility persists in global markets. Overall, we find that ‘satisfactory’ value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.09%	3	3	4	2	1	3	3	2
Sterling I	0.68%	3	3	4	2	1	2	3	2
Sterling PP	0.58%	3	3	4	2	1	2	3	2
Sterling R	0.94%	3	3	4	2	1	3	3	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

Where can we improve?

The issue	Criteria	Our action
At least one of the share classes did not achieve its investment objective.	2. Performance	The investment environment remains challenging but after a comprehensive review of the fund’s performance and strategy, we, the Board, believe the necessary actions have been taken for the fund to be able to meet its objective going forward.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being 'satisfactory'.

2. Investment performance



The fund aims to generate a growing level of income over any three-year period. The fund also aims to provide capital growth of 2-4% over any three-year period.

There is no guarantee that the fund will achieve its objective over this, or any other period. The income distributions and the value of your investment may rise and fall and investors may not recoup the original amount they invested.

The fund met its capital growth objective, but did not achieve its performance or income objectives over the three-year period ending 31 March 2023. Therefore, we rate all share classes as 'must improve'.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Sterling A	-7.0%	5.6%	1.4%
Sterling I	-6.7%	5.9%	1.8%
Sterling PP	-6.6%	6.1%	1.9%
Sterling R	-6.9%	5.7%	1.6%

Past performance is not a guide to future performance.

Benchmark: n/a

The fund is actively managed and it has no benchmark. For details, please refer to 'fund benchmarks' in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as 'good'.

4. Economies of scale

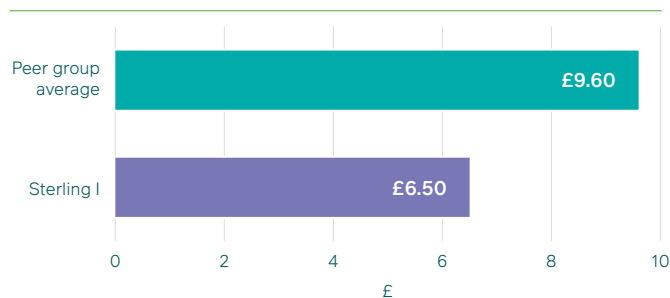


Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as 'outstanding'.

5. Comparable market rates

The fund's annual charges are in line with the average for competitor funds, so we rate most share classes as at least 'satisfactory'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'satisfactory'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Equities Investment Fund for Charities (Charifund)

Conclusions from the Value Assessment

We conclude that the fund has delivered value to the charities that invest in it over the review period. We find that value has been achieved across all criteria, except investment performance. The fund has also been rated 'outstanding' under the economies of scale and comparable market rates criteria, meaning charges are amongst the lowest in its peer group. Overall, we find that 'satisfactory' value has been delivered to investors.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling	0.59%	3	3	4	2	1	1	□	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

Where can we improve?

The issue	Criteria	Our action
At least one of the share classes did not achieve its investment objective.	2. Performance	The investment environment remains challenging but after a comprehensive review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for the fund to be able to meet its objective going forward.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being 'satisfactory'.

2. Investment performance



The fund has three aims:

- To provide an annual yield above that available from the FTSE All-Share Index.
- To provide an income stream that increases every year.
- To provide a level of capital growth, net of the Ongoing Charge Figure, that is higher than inflation over any 10-year period, as measured by the UK Retail Prices Index (RPI).

There is no guarantee that the fund will achieve its objective over this, or any other period, and investors may not get back the original amount they invested.

The fund has met its yield and income growth objectives, but did not meet its capital growth objective during the review period. Therefore, we rate the fund as 'must improve' for performance as it did not meet its investment objective over the five-year period ending 31 March 2023.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	2.9%	13.8%	5.0%
Sterling	-0.7%	13.2%	4.7%

Past performance is not a guide to future performance.

Benchmark: FTSE All-Share Index

The benchmark is shown in Sterling. For details, please refer to 'fund benchmarks' in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability



In our opinion, the fund has demonstrably made exclusions in line with its investment policy. We therefore rate its performance against non-financial considerations as 'good'.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as 'good'.

4. Economies of scale



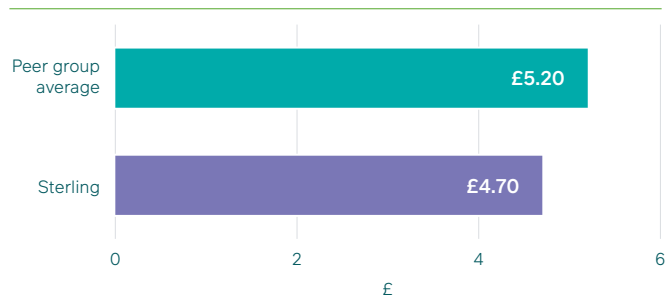
Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as 'outstanding'.

5. Comparable market rates



The fund's annual charges are less expensive than most competitor funds, so we rate the fund as 'outstanding'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

6. Comparable M&G services



There are no similar funds or mandates that are managed by M&G, so no rating is made.

7. Share classes



We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Global Dividend Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. We find that value has been achieved across all criteria, except investment performance, which has mixed ratings across the share classes in the fund ranging from 'must improve' in the 'A' and 'R' classes to 'good' for 'PP'. The fund is largely invested in global equities across a range of geographies and sectors, and benefitted from the momentum in global dividends during the 12-month review period. We are pleased to report investors benefit from the fund's 'outstanding' rated economies of scale and annual charges that we find to be lower than most competitors, especially in the 'PP' class. Overall, we find that at least 'satisfactory' value has been delivered to all share classes for investors.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.06%	3	3	4	2	1	3	3	2
Sterling I	0.66%	2	3	3	2	1	2	3	2
Sterling PP	0.56%	2	3	2	2	1	1	3	2
Sterling R	0.91%	3	3	4	2	1	3	3	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

Where can we improve?

The issue	Criteria	Our action
At least one of the share classes did not achieve its investment objective.	2. Performance	The investment environment remains challenging but after a comprehensive review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for the fund to be able to meet its objective going forward.

1. Quality of services

Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being ‘satisfactory’.

2. Investment performance

The fund has three aims:

- To deliver an income stream that increases every year.
- To deliver a yield above that available from the MSCI ACWI Index over any five-year period.
- To deliver a higher total return (the combination of income and growth of capital) than that of the MSCI ACWI Index over any five-year period.

Over five years, performance across the fund's share classes relative to the benchmark as a whole has been mixed. We rate the ‘A’ and ‘R’ share classes in the fund as ‘must improve’. The other share classes have been rated as at least ‘satisfactory’ over the fund's five-year performance objective. The yield and income objectives have been met.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-0.9%	16.0%	10.2%
Sterling A	1.3%	20.4%	9.9%
Sterling I	1.7%	20.9%	10.5%
Sterling PP	1.8%	21.0%	10.6%
Sterling R	1.4%	20.6%	10.2%

Past performance is not a guide to future performance.

Benchmark: 01.01.09 – 31.12.11: FTSE World Index;
01.01.12 – Present: MSCI ACWI Index

The benchmark is shown in Sterling.
For details, please refer to ‘fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

3. Costs of the AFM

The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as ‘good’.

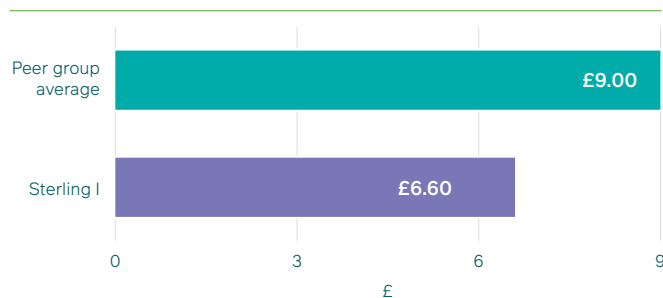
4. Economies of scale

Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as ‘outstanding’. Investors received a discount on their annual charges as the fund size exceeded the £1 billion threshold.

5. Comparable market rates

The fund's annual charges are lower than the average for competitor funds, so we rate the share classes to be at least 'satisfactory' value.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

Minor differences between the fund's charges and those of similar funds or mandates that are managed by M&G are not judged to be material, so we rate all share classes in the fund as 'satisfactory'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Global Listed Infrastructure Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. We find that value has been achieved across all criteria, including the fund delivering on its investment performance objective. Further, we are pleased to report that investors benefit from the fund’s economies of scale and annual charges that are lower than most competitors. Overall, we believe that ‘good’ value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.31%	2	3	3	2	1	3	3	2
Sterling I	0.91%	2	3	3	2	1	2	3	2
Sterling L	0.71%	2	3	3	2	1	1	3	2
Sterling PP	0.81%	2	3	3	2	1	1	3	2
Sterling I-H	0.94%	2	3	3	2	1	2	3	2
Sterling PP-H	0.84%	2	3	3	2	1	2	3	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being ‘satisfactory’.

2. Investment performance



The fund has two aims:

- To deliver a higher total return (the combination of income and growth of capital), net of the Ongoing Charges Figure, than that of the MSCI ACWI Index over any five-year period.
- To deliver an income stream that increases every year in Sterling terms.

The fund has delivered positive total returns and outperformed the benchmark with increased dividends generally in each financial year. Therefore, the fund achieved its investment objectives over the five-year period. We have rated the fund overall as ‘satisfactory’ under the performance criteria.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-0.9%	16.0%	10.2%
Sterling A	-3.4%	13.1%	11.4%
Sterling I	-3.0%	13.6%	11.7%
Sterling L	-2.8%	13.8%	12.0%
Sterling PP	-2.9%	13.7%	11.9%
Sterling I-H	-	-	-
Sterling PP-H	-	-	-

Past performance is not a guide to future performance.

Benchmark: MSCI ACWI Index

For unhedged share classes, the benchmark is shown in Sterling.
 For currency hedged share classes, the benchmark is hedged to Sterling.
 For details, please refer to ‘fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund’s assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability



In our opinion, the fund has demonstrated that its investment universe is driven by sustainability-themed considerations. We therefore rate its performance against sustainability considerations as ‘good’.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as ‘good’.

4. Economies of scale

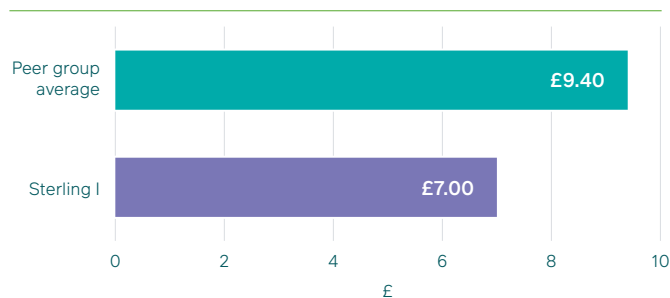


Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as ‘outstanding’.

5. Comparable market rates

The fund's annual charges are among the least expensive of competitor funds, so we rate the share classes to be at least 'satisfactory'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'satisfactory'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Global Sustain Paris Aligned Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period across all criteria, including performance as the fund met its five-year objective. Overall, we find that at least 'satisfactory' value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.30%	3	3	3	3	1	3	3	3
Sterling I	0.90%	3	3	3	3	1	3	3	3
Sterling R	1.15%	3	3	3	3	1	3	3	3
Sterling PP	0.60%	2	3	□	3	1	2	3	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being ‘satisfactory’.

2. Investment performance



The fund has two aims:

- To provide a higher total return (capital growth plus income), net of the Ongoing Charge Figure, than that of the MSCI World Index over any five-year period.
- To invest in companies that contribute towards the Paris Agreement climate change goal.

All of the fund’s share classes met their investment objective over the five-year period ending 31 March 2023. We rate the fund overall as ‘satisfactory’ for performance.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-0.5%	17.1%	11.3%
Sterling A	2.2%	16.5%	11.9%
Sterling I	2.6%	17.0%	12.5%
Sterling R	2.3%	16.7%	12.3%
Sterling PP	2.9%	-	-

Past performance is not a guide to future performance.

Benchmark: 01.01.09 – 31.12.11: FTSE World Index;
01.01.12 – 31.12.15: MSCI ACWI Index;
01.01.16 – Present: MSCI World Index

The benchmark is shown in Sterling.
For details, please refer to ‘fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund’s assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability



In our opinion, the fund has demonstrated that its investment universe is driven by sustainability-themed considerations. We therefore rate its performance against sustainability considerations as ‘good’.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as ‘satisfactory’.

4. Economies of scale



Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as ‘outstanding’.

5. Comparable market rates

The fund's annual charges are in line with the average for competitor funds, so we rate the share classes overall as at least 'satisfactory'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

Minor differences between the fund's charges and those of similar funds or mandates that are managed by M&G are not judged to be material, so we rate all share classes in the fund as 'satisfactory'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that is broadly in line with their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as at least 'satisfactory'.

M&G Optimal Income Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value over the review period. We find that value has been achieved across most criteria, including the investment performance objective which has overall been rated as 'satisfactory', although the 'A' class is rated as 'must improve'. The benchmark was updated on 6 March 2023 to a composite index to align with the fund's structure more closely. Overall, we find that at least 'satisfactory' value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.03%	3	3	4	3	1	3	3	2
Sterling I	0.63%	3	3	3	3	1	3	3	2
Sterling J	0.63%	2	3	□	3	1	3	3	2
Sterling PP	0.53%	3	3	3	3	1	2	3	2
Sterling R	0.88%	3	3	3	3	1	3	3	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

Where can we improve?

The issue	Criteria	Our action
At least one of the share classes did not achieve its investment objective.	2. Performance	The investment environment remains challenging but after a comprehensive review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for the fund to be able to meet its objective going forward.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being 'satisfactory'.

2. Investment performance



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 1/3 Bloomberg Global Treasury Index GBP Hedged; 1/3 Bloomberg Global Aggregate Corporate Index GBP Hedged; 1/3 Bloomberg Global High Yield Index GBP Hedged, over any five-year period.

Most of the fund's share classes met their investment objectives over the five-year period ending 31 March 2023 so were rated overall as 'satisfactory', with the exception of the 'A' class which has been rated as 'must improve'.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-5.0%	1.6%	0.9%
Sterling A	-3.4%	2.7%	0.2%
Sterling I	-3.1%	3.1%	0.7%
Sterling J	-3.1%	3.2%	-
Sterling PP	-3.0%	3.2%	0.8%
Sterling R	-3.3%	2.8%	0.4%

Past performance is not a guide to future performance.

Benchmark: Prior to 06.03.2023: IA Sterling Strategic Corporate Bond Sector Average;
07.03.2023 – Present: 1/3 Bloomberg Global Treasury Index GBP Hedged, 1/3 Bloomberg Global Aggregate Corporate Index GBP Hedged, 1/3 Bloomberg Global High Yield Index GBP Hedged

The benchmark is shown in Sterling.
For details, please refer to 'fund benchmarks' in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as 'satisfactory'.

4. Economies of scale

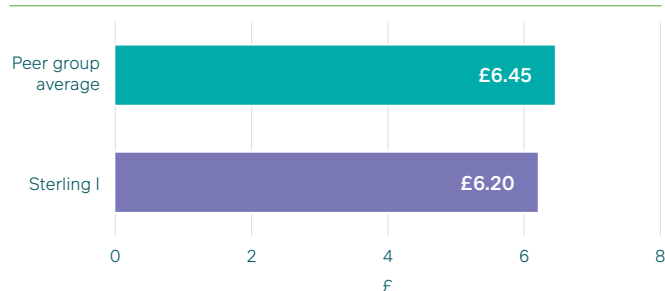


Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as 'outstanding'. Investors received a discount on their annual charges as the fund size exceeded the £1 billion threshold.

5. Comparable market rates

The fund's annual charges are in line with the average for competitor funds, so we rate all share classes at least as 'satisfactory'.

Annual cost per £1,000 invested –
based on the ongoing charges for similar funds



Sector: IA £ Strategic Bond

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

Minor differences between the fund's charges and those of similar funds or mandates that are managed by M&G are not judged to be material, so we rate all share classes in the fund as 'satisfactory'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Positive Impact Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period across all criteria. The fund launched in 2018 so we are unable to assess the fund’s performance against its five-year objective. We are pleased to report that investors benefit from annual charges that are found to be the lowest among competitor funds and the fund has been rated as ‘outstanding’ under the economies of scale criterion. Overall, we find that ‘good’ value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.10%	2	3	□	3	1	2	3	2
Sterling I	0.70%	2	3	□	3	1	1	3	2
Sterling L	0.50%	2	3	□	3	1	1	3	2
Sterling PP	0.60%	2	3	□	3	1	1	3	2
Sterling R	0.95%	2	3	□	3	1	2	3	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services

Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being ‘satisfactory’.

2. Investment performance

The fund has two aims:

- To provide a higher total return (the combination of capital growth and income), net of the Ongoing Charges Figure, than the MSCI ACWI Index over any five-year period.
- To invest in companies that aim to have a positive societal impact through addressing the world’s major social and environmental challenges.

Having only recently launched, the fund’s performance cannot be assessed against its objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-0.9%	16.0%	10.2%
Sterling A	0.7%	13.8%	-
Sterling I	1.2%	14.3%	-
Sterling L	1.4%	14.5%	-
Sterling PP	1.3%	14.4%	-
Sterling R	0.9%	14.0%	-

Past performance is not a guide to future performance.

Benchmark: MSCI ACWI Index

The benchmark is shown in Sterling. For details, please refer to ‘fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund’s assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability

In our opinion, the fund has achieved its impact objective, having demonstrated how the revenues of portfolio holdings stem from activities aligned to the UN Sustainable Development Goals. We therefore rate its performance against non-financial considerations as ‘good’.

3. Costs of the AFM

The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as ‘satisfactory’.

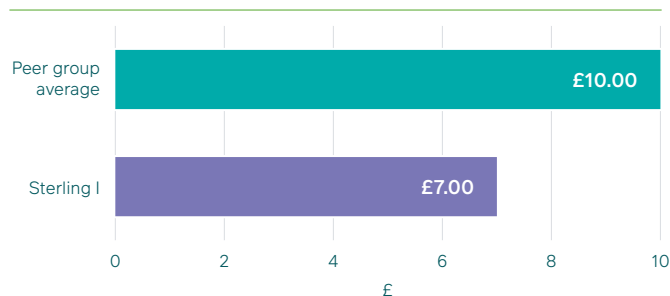
4. Economies of scale

Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as ‘outstanding’.

5. Comparable market rates

The fund's annual charges are the among the least expensive of competitor funds, so we rate the share classes to be at least 'good' value, with some share classes rated as 'outstanding'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

Minor differences between the fund's charges and those of similar funds or mandates that are managed by M&G are not judged to be material, so we rate all share classes in the fund as 'satisfactory'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Short Dated Corporate Bond Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. We find that value has been achieved across all criteria, including the investment performance objective. Overall, we find that 'outstanding' value has been delivered against all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling PP	0.15%	1	3	1	2	1	1	2	2
Sterling I	0.25%	1	3	1	2	1	2	2	2
Sterling A	0.50%	1	3	1	2	1	3	2	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being 'satisfactory'.

2. Investment performance



The fund met its investment objective over the five-year period ending 31 March 2023 and all share classes are rated as 'outstanding'. Short-dated corporate bonds benefited from rising interest rates during the review period, as they typically have a lower interest rate risk exposure ('duration').

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-1.1%	0.7%	0.5%
Sterling PP	0.9%	2.5%	1.5%
Sterling I	0.8%	-	-
Sterling A	0.5%	2.2%	1.2%

Past performance is not a guide to future performance.

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

The benchmark is shown in Sterling.
For details, please refer to 'fund benchmarks' in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as 'good'.

4. Economies of scale

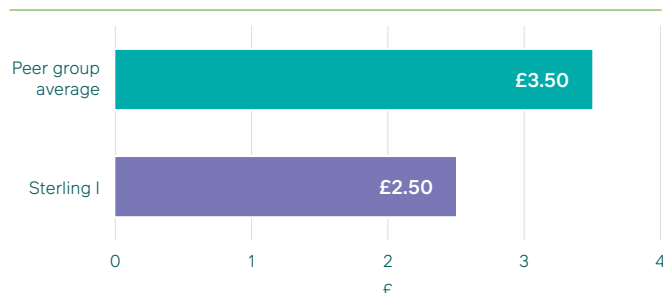


Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as 'outstanding'.

5. Comparable market rates

The fund's annual charges are better than the average for competitor funds, so we rate the share classes overall as at least 'satisfactory'. We are pleased to report the rating for the 'PP' share class is 'outstanding'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'good'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Strategic Corporate Bond Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value over the review period. We find that value has been achieved across all criteria, including the fund's investment objective. Overall, we find that 'good' value has been delivered for most share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	0.83%	3	3	3	2	1	3	3	2
Sterling I	0.43%	2	3	2	2	1	3	3	2
Sterling PP	0.33%	2	3	2	2	1	2	3	2
Sterling R	0.68%	2	3	2	2	1	3	3	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services



Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being 'satisfactory'.

2. Investment performance



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 of the iBoxx Sterling Corporates GBP Index, over any five-year period.

The fund met its investment objective over the five-year period ending 31 March 2023 and the majority of share classes have been rated as delivering 'good' value. The 'A' share class is rated as 'satisfactory'.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-9.2%	-1.8%	-0.3%
Sterling A	-6.9%	0.6%	-0.1%
Sterling I	-6.5%	1.0%	0.4%
Sterling PP	-6.5%	1.1%	0.5%
Sterling R	-6.8%	0.7%	0.2%

Past performance is not a guide to future performance.

Benchmark: Prior to 06.03.2023: IA Sterling Corporate Bond Sector Average;
07.03.2023 – Present: iBoxx Sterling Corporates GBP Index

The benchmark is shown in Sterling.
For details, please refer to 'fund benchmarks' in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

3. Costs of the AFM



The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as 'good'.

4. Economies of scale

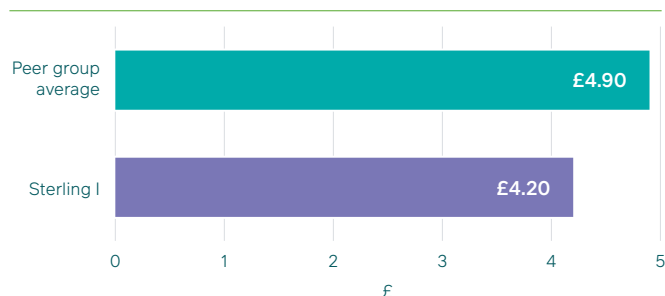


Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as 'outstanding'. Investors received a discount on their annual charges as the fund size exceeded the £1 billion threshold.

5. Comparable market rates

The fund's annual charges are in line with the average for competitor funds, so we rate all share classes at least as 'satisfactory'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Sector: IA £ Corporate Bond

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

Minor differences between the fund's charges and those of similar funds or mandates that are managed by M&G are not judged to be material, so we rate all share classes in the fund as 'satisfactory'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Sustainable Global High Yield Bond Fund

(previously known as M&G Global High Yield ESG Bond Fund)

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. The fund recently launched in February 2020 so we are unable to assess the fund’s performance against its objective. We note the conversion of the M&G Global High Yield ESG Bond Fund to the M&G Sustainable Global High Yield Bond Fund in May 2022, thus moving up the ESG sustainability spectrum. We are pleased to conclude the fund is rated as delivering ‘good’ value for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A-H	1.03%	2	3	□	3	2	3	2	2
Sterling I-H	0.63%	2	3	□	3	2	3	2	2
Sterling R-H	0.88%	2	3	□	3	2	3	2	2
Sterling L-H	0.43%	2	3	□	3	2	2	2	2
Sterling PP-H	0.53%	2	3	□	3	2	2	2	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services

Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being 'satisfactory'.

2. Investment performance

The fund aims to provide a higher total return (capital growth plus income), net of the Ongoing Charge Figure, than the Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index over any five-year period, while applying ESG Criteria and Sustainability Criteria.

Having only recently launched, the fund's performance cannot be fully assessed against its objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark (Hedged)	-5.8%	3.9%	1.0%
Sterling A-H	-6.4%	2.4%	-
Sterling I-H	-6.0%	2.8%	-
Sterling R-H	-6.3%	2.5%	-
Sterling L-H	-5.9%	3.0%	-
Sterling PP-H	-6.0%	2.9%	-

Past performance is not a guide to future performance.

Benchmark: Prior to 09.05.2022: ICE BOFA Global High Yield Total Return GBP Hedged Index; 10.05.2022 – Present: Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index

The benchmark is hedged to Sterling. For details, please refer to 'fund benchmarks' in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability

We find that the fund has demonstrably applied a positive ESG tilt to issuers with better ESG characteristics, excluding companies or issuers with poorer ESG characteristics. We are therefore pleased to rate its performance against non-financial considerations as 'good'.

3. Costs of the AFM

The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as 'satisfactory'.

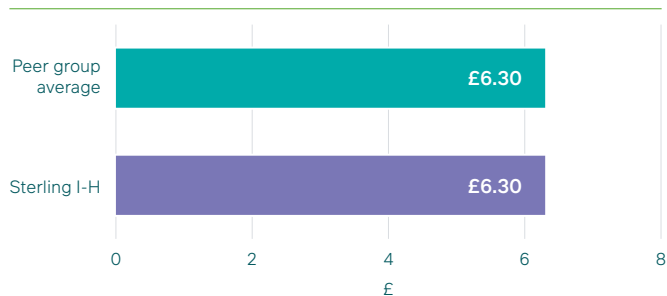
4. Economies of scale

Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as 'good'.

5. Comparable market rates

The fund's annual charges are in line with the average for competitor funds, so we rate most share classes as 'satisfactory'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Peer group: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I-H' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'good'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Sustainable Multi Asset Balanced Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. The fund launched in December 2020 so we are unable to assess the fund's performance against its investment objective. We believe that value has been achieved across other criteria and overall, we find that 'good' value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.12%	2	3	□	3	2	3	2	2
Sterling I	0.72%	2	3	□	3	2	2	2	2
Sterling L	0.52%	2	3	□	3	2	2	2	2
Sterling PP	0.62%	2	3	□	3	2	2	2	2
Sterling R	0.97%	2	3	□	3	2	3	2	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services

Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being ‘satisfactory’.

2. Investment performance

The fund has two aims:

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

Having only recently launched, the fund’s performance cannot be assessed against its objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-5.9%	1.9%	0.9%
Sterling A	-6.2%	-	-
Sterling I	-5.9%	-	-
Sterling L	-5.8%	-	-
Sterling PP	-5.9%	-	-
Sterling R	-6.1%	-	-

Past performance is not a guide to future performance.

Benchmark: (IA) Mixed Investment 20-60% Shares Sector

The benchmark is shown in Sterling.
For details, please refer to ‘fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund’s assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability

In our opinion, the fund is well aligned with its sustainability-related objective, having demonstrated that it is invested in assets which meet the fund’s preferred ESG standards and/or provide a positive societal impact. The fund has a strong climate focus which assesses the long-term sustainability of assets, with a focus on carbon intensity and climate adaptability, which is crucial to achieving a more sustainable global economy. We therefore rate its performance against non-financial considerations as ‘good’.

3. Costs of the AFM

The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as ‘satisfactory’. The fund recently launched and is less than three years old, so the fund’s AFM costs cannot be fully assessed against the criterion.

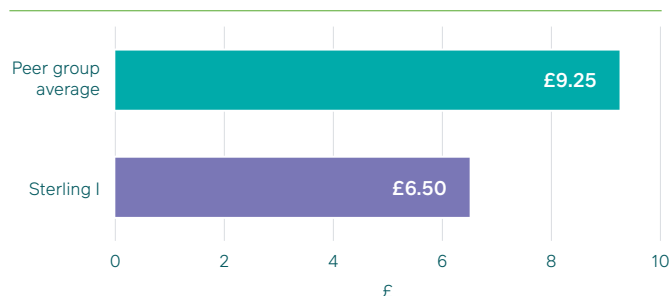
4. Economies of scale

Based on our assessment of economies of scale across the fund range and at the fund level, we rate all share classes in the fund as ‘good’. The fund recently launched and is less than three years old, so the fund’s economies of scale cannot be fully assessed against the criterion.

5. Comparable market rates

The fund's annual charges are in line with the average for competitor funds, so we rate all share classes at least as 'satisfactory'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Sector: IA Mixed Investment 20-60% Shares

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'good'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Sustainable Multi Asset Cautious Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. The fund launched in December 2020 so we are unable to assess the fund's performance against its investment objective. We believe that value has been achieved across other criteria and overall, we find that 'good' value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.12%	2	3	□	3	2	3	2	2
Sterling I	0.72%	2	3	□	3	2	2	2	2
Sterling L	0.52%	2	3	□	3	2	2	2	2
Sterling PP	0.62%	2	3	□	3	2	2	2	2
Sterling R	0.97%	2	3	□	3	2	3	2	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services

Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being ‘satisfactory’.

2. Investment performance

The fund has two aims:

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

Having only recently launched, the fund’s performance cannot be assessed against its objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-5.9%	1.9%	0.9%
Sterling A	-7.1%	-	-
Sterling I	-6.8%	-	-
Sterling L	-6.7%	-	-
Sterling PP	-6.8%	-	-
Sterling R	-7.0%	-	-

Past performance is not a guide to future performance.

Benchmark: (IA) Mixed Investment 0-35% Shares Sector

The benchmark is shown in Sterling.
For details, please refer to ‘fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund’s assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability

In our opinion, the fund is well aligned with its sustainability-related objective, having demonstrated that it is invested in assets which meet the fund’s preferred ESG standards and/or provide a positive societal impact. The fund has a strong climate focus which assesses the long-term sustainability of assets, with a focus on carbon intensity and climate adaptability, which is crucial to achieving a more sustainable global economy. We therefore rate its performance against non-financial considerations as ‘good’.

3. Costs of the AFM

The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as ‘satisfactory’. The fund recently launched and is less than three years old, so the fund’s AFM costs cannot be fully assessed against the criterion.

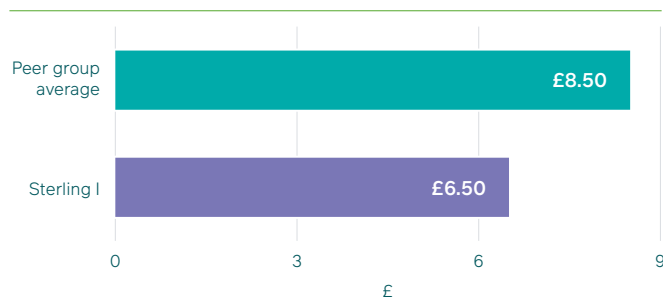
4. Economies of scale

Based on our assessment of economies of scale across the fund range and at the fund level, we rate all share classes in the fund as ‘good’. The fund recently launched and is less than three years old, so the fund’s economies of scale cannot be fully assessed against the criterion.

5. Comparable market rates

The fund's annual charges are in line with the average for competitor funds, so we rate all share classes at least as 'satisfactory'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Sector: IA Mixed Investment 0-35% Shares

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'good'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Sustainable Multi Asset Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. The fund launched in February 2019 so we are unable to assess the fund's performance against its investment objective. Overall, we find that 'good' value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.13%	2	3	□	3	1	3	2	2
Sterling I	0.73%	2	3	□	3	1	2	2	2
Sterling L	0.53%	2	3	□	3	1	2	2	2
Sterling PP	0.63%	2	3	□	3	1	2	2	2
Sterling R	0.98%	2	3	□	3	1	3	2	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services

Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being ‘satisfactory’.

2. Investment performance

The fund aims to provide a total return (the combination of capital growth and income) of 4-8% per annum over any five-year period, net of the Ongoing Charges Figure, while applying ESG Criteria and/or Impact Criteria.

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

Having only recently launched, the fund’s performance cannot be assessed against its objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-4.9%	5.6%	2.3%
Sterling A	-7.5%	5.4%	-
Sterling I	-7.2%	5.7%	-
Sterling L	-7.0%	5.9%	-
Sterling PP	-7.1%	5.8%	-
Sterling R	-7.3%	5.5%	-

Past performance is not a guide to future performance.

Benchmark: n/a

The fund is actively managed and it has no benchmark. For details, please refer to ‘fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund’s assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability

In our opinion, the fund is well aligned with its sustainability-related objective, having demonstrated that it is invested in assets which meet the fund’s preferred ESG standards and/or provide a positive societal impact. The fund also has a strong climate focus which assesses the long-term sustainability of assets, with a focus on carbon intensity and climate adaptability, which is crucial to achieving a more sustainable global economy. We therefore rate its performance against non-financial considerations as ‘good’.

3. Costs of the AFM

The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as ‘satisfactory’.

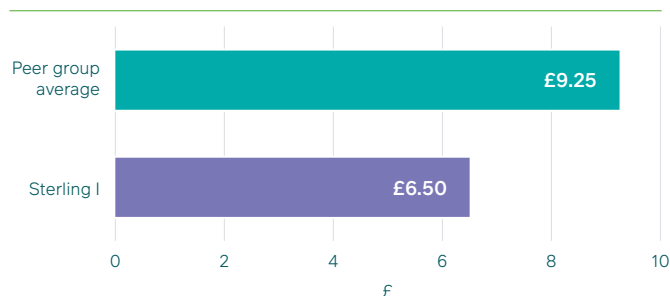
4. Economies of scale

Based on our assessment of economies of scale, across the fund range and at fund level, we rate all share classes in the fund as ‘outstanding’.

5. Comparable market rates

The fund's annual charges are in line with the average for competitor funds, so we rate all share classes at least as 'satisfactory'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Sector: IA Mixed Investment 20-60% Shares

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'good'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

M&G Sustainable Multi Asset Growth Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to its investors over the review period. The fund launched recently in December 2020 so we are unable to assess the fund’s performance against its investment objective. We are pleased to report the fund’s ‘L’ and ‘PP’ share classes are rated as ‘outstanding’ under the comparable market rates criterion, with the remaining share classes rated as at least ‘satisfactory’. Overall, we find that ‘good’ value has been delivered for all share classes.

Board of M&G Securities Limited

Share classes	Annual charge	Overall	1. Quality of services	2. Performance	3. AFM costs	4. Economies of scale	5. Comparable market rates	6. Comparable services	7. Share classes
Sterling A	1.13%	2	3	□	3	2	3	2	2
Sterling I	0.73%	2	3	□	3	2	2	2	2
Sterling L	0.53%	2	3	□	3	2	1	2	2
Sterling PP	0.63%	2	3	□	3	2	1	2	2
Sterling R	0.98%	2	3	□	3	2	3	2	2

Key

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

Please note that our assessment of the value delivered for any given share class is the same for both accumulation and income shares. All share classes are denominated in Sterling unless another currency is stated.

1. Quality of services

Based on our assessment of the range and quality of services provided to different customers across our range of funds, we rate all share classes in the fund as being ‘satisfactory’.

2. Investment performance

The fund has two aims:

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

Having only recently launched, the fund’s performance cannot be assessed against its objective.

Annualised performance to 31 March 2023

Share classes	One year	Three year	Five year
Benchmark	-4.1%	9.2%	4.4%
Sterling A	-6.3%	-	-
Sterling I	-6.0%	-	-
Sterling L	-5.9%	-	-
Sterling PP	-5.9%	-	-
Sterling R	-6.2%	-	-

Past performance is not a guide to future performance.

Benchmark: (IA) Flexible Investment Sector

The benchmark is shown in Sterling.
For details, please refer to ‘fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2023. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

The value and income from the fund’s assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Focus on sustainability

In our opinion, the fund is well aligned with its sustainability-related objective, having demonstrated that it is invested in assets which meet the fund’s preferred ESG standards and/or provide a positive societal impact. The fund has a strong climate focus which assesses the long-term sustainability of assets, with a focus on carbon intensity and climate adaptability, which is crucial to achieving a more sustainable global economy. We therefore rate its performance against non-financial considerations as ‘good’.

3. Costs of the AFM

The total costs of running the fund are in line with comparable M&G funds and we therefore rate the fund as ‘satisfactory’. The fund recently launched and is less than three years old, so the fund’s AFM costs cannot be fully assessed against the criterion.

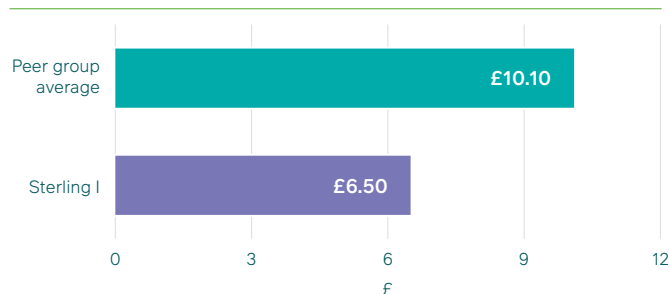
4. Economies of scale

Based on our assessment of economies of scale across the fund range and at the fund level, we rate all share classes in the fund as ‘good’. The fund recently launched and is less than three years old, so the fund’s economies of scale cannot be fully assessed against the criterion.

5. Comparable market rates

The fund's annual charges are in line with the average for competitor funds, so we rate all share classes at least as 'satisfactory'.

Annual cost per £1,000 invested – based on the ongoing charges for similar funds



Sector: IA Flexible Investment

Source: Morningstar, Inc. and M&G, as at 31 March 2023.

Please note that these estimated costs are forward-looking and calculated using a 0% growth rate, for ease of understanding, and are based only on the annual charges for the fund. Additional transaction costs are incurred when buying or selling underlying investments.

Different share classes carry different charges. Where annual charges are higher than those of the 'I' share class shown above, this reflects additional services that M&G provides to investors in those share classes. The share class you hold will depend on how you invest with M&G.

6. Comparable M&G services

No similar funds or mandates that are managed by M&G are materially cheaper than the fund, so we rate all share classes in the fund as 'good'.

7. Share classes

We are satisfied that the vast majority of investors are in the most appropriate share class, paying a charge that accurately reflects their rights and services, and that M&G is making reasonable efforts to address anomalies where they remain. We therefore rate the fund as 'good'.

Methodology of the Value Assessment

Our commitment to you in ensuring that our approach and process undertaken is thorough and robust is at the essence of this Value Assessment report. We have closely adhered to the FCA's rules and guidance in order to work in your best interests and have outlined our approach to independently evaluate each of the seven criteria that comprise our Value Assessment below using data as at 31 March 2023. Each fund and its associated share classes, have been individually debated and assessed amongst the Board and with wider business stakeholders to ensure accountability on our investors' behalf. Where we have found improvements are required, we have contacted the specific investment teams or business area and actively monitored the response taken until the issue has been resolved.

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

1. Quality of services



To determine the overall quality of service delivered to investors in each fund and share class, we evaluate the diverse range of sub-services that shape investor outcomes. These are broadly grouped into five categories:

- Investment services** These are the services required for the investment of, and the oversight of, each fund's assets, including investment strategy and decision making, trading and stewardship of the assets we manage.
- Fund and asset servicing** These are those services required for the good running of the fund – for instance, determining a value and price of each share class in a fund – and ensuring the fund's assets are kept secure. Some of these services are provided internally, such as tax, legal and shareholder services. Other services are delivered externally by third party providers including custody and clearing services.
- Authorised Corporate Director (ACD)** The responsibility of the ACD is to ensure funds are run in the best interests of their investors.
- Brand** The M&G brand is valued by investors, making it important to invest in and maintain.
- Client services** These are those services that are directly provided to investors, such as the online, phone and postal services used by M&G's direct customers and the support we provide to professional investors. We also consider the quality of information and material produced to different investor groups. We base our analysis of client services delivered by investor group, rather than specifically by share class. Our conclusions are then mapped against each share class of a fund, based on which groups of investors hold that share class.

We rate each sub-service by reference to independent service assessments, comparing the service provided against key metrics and using independent information like external reports and studies. Where no independent external comparisons exist, we use internal assessment according to key performance indicators that have been set for each sub-service.

To arrive at an overall rating for each share class of a fund, we calculate a custom-weighted overall score based on our assessment of the sub-services relevant to investors that hold that share class. The broad categories of client services and fund and asset services are deemed most important.

2. Investment performance



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

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

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

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

3. Costs of the Authorised Fund Manager (AFM)



We assess the costs of the Authorised Fund Manager (AFM), that is, M&G Securities Ltd, which is responsible for the overall management of M&G funds, and therefore for the full range of UK-based funds. While some of the AFM's costs are specific to certain investor groups, like providing telephone services to direct clients, the majority are base costs that enable M&G to provide fund management services to all investors, for example, fund accounting or custody.

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

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

4. Economies of scale



Economies of scale can be achieved where there are cost savings to be realised from large-scale operations. Like any industry, there are costs involved in fund management that become a smaller portion of a larger asset pool. This means that the extra cost of managing the next £1 million should normally be less than the last. For M&G, economies of scale can come in two forms. Firstly, they can be achieved by outsourcing certain services to specialist providers whose scale and expertise should afford cost savings. As part of our assessment, we therefore examine the costs of these third party services, such as the custody of fund assets, to determine whether economies of scale that should be achieved by our partners are reflected in what M&G pays for these services.

Secondly, M&G can achieve cost savings when a fund's assets under management grow above a certain size. This is because certain costs of running a fund are fixed, meaning funds are generally more cost effective to run when they grow. Using internal data, we analyse the relationship between fund costs and size over time to establish if there is a connection between scale and cost, and explore any exceptions. In the last few years, M&G has shared cost savings with all investors by applying discounts to the annual charges of funds whose assets under management are above a certain size where M&G considers there are material savings to pass on. Our analysis not only considers whether a fund achieves economies of scale but also whether M&G's formal economies of scale mechanism is competitive within the marketplace.

Further, the economies of scale methodology appraises M&G funds individually, rather than just being assessed at a range level. The proportion of outperformance kept, or expected to be kept, by investors in each fund and share class has been challenged on your behalf and we have reviewed whether each fund individually is structured to deliver value. The Board notes the work across various business areas across M&G, in particular Finance, in challenging the existing methodology to prove it provides value for money for all investors.

5. Comparable market rates

For each share class of each fund, we have evaluated our charges to those of similar fund offerings in the market. We first compare the charges for each of our funds to those of other funds in their peer group. This is often the fund's sector, as classified by Morningstar or the Investment Association (IA). Where the sector is deemed insufficient, a custom peer group has been used that we believe best reflects the characteristics of the fund in question.

We look at funds' annual charges, inclusive of any discount based on economies of scale, and excluding transaction and extraordinary costs. Since we believe passively managed funds (ie those funds whose objective is to track an index) are not comparable to actively managed funds, we only compare the charges of our actively managed funds with those of other actively managed funds, and vice versa.

Importantly, we make comparisons using the highest charging share class – free of any rebates or intermediary commission – that is freely available through third party distributors in the UK retail market. If a fund's annual charge is lower than most comparable funds, we rate its primary share class as 'good'. This year the Board reviewed the methodology used in previous years' ratings where the cheapest decile was rated as 'outstanding'. To ensure consistency, we have taken steps to improve the methodology by ranking the bottom decile as 'must improve'. If a fund's annual charges are more or less in line with the median average of its peer group, it will be rated as 'satisfactory'.

For those investor groups (and therefore share classes) who use phone and postal services or web-based services, we compare our charges to other fund managers, or platform providers, that offer similar services. Again, if the effective cost we charge for a given service is cheaper than most of our competitors, we will award a rating of 'good' or better. Conversely, if a service is more expensive, we rate it as 'must improve'. For share classes that effectively include a price for the client services also provided by M&G, on top of investment management, we then combine these two ratings to arrive at an overall assessment for each share class of a fund.

6. Comparable M&G services

Our first step in evaluating comparable services is to define the investment characteristics of our funds. These include the types of asset each fund invests in (for instance, equities or bonds), or geographic area each fund invests in (eg emerging markets or the UK). We then identify every fund that M&G or its associates manage, or accounts that we manage for other companies, and we then compare the charges. Where any similar fund or account that we manage for others has annual charges that are lower, we investigate the reasons why this apparent discrepancy exists. Where we determine that any such difference in price is justified, the share class rating is 'satisfactory'. If we determine that the difference cannot be explained, the rating will be no better than 'must improve'. We might rate a share class as 'unsatisfactory' if we conclude that there is an unacceptable divergence in charges between similar types of investors which must be rectified. Conversely, where there is a similar fund or account that M&G manages but its annual charges are in line with those of a fund, the share class rating is 'good'. If no funds or mandates are deemed to be comparable to the share class of a fund, we cannot give a rating.

7. Share classes

For this final criterion, we undertake an in-depth analysis of which investors hold the respective share classes of each fund. Firstly we evidence a coherent and consistent share class pricing structure across the range of funds in scope, subject to regular attestations. Secondly, we evidence that this pricing structure is broadly supported by costs data obtained under the AFM costs criterion. No investor should be paying more than others to access the same product with substantially similar rights and services.

Where no direct outlier has been found, and a coherent and consistent pricing structure exists across the range of funds in scope and is broadly supported by costs data for each share class type, we rate this as 'good'. If there are simply no outliers, we rate the share class as 'satisfactory'.

We might rate a share class as 'must improve' where an unjustified corporate or direct outlier has been found to exist.

Fund benchmarks

M&G Absolute Return Bond Fund

Benchmark: SONIA +2.5%

With effect from 20 July 2021 the benchmark is now the SONIA +2.5%.

Prior to 20 July 2021 the benchmark was the 3-month GBP LIBOR +2.5%.

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

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

M&G Asian Fund

Benchmark: MSCI AC Asia Pacific (ex Japan) Index

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

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

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

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

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

Benchmark returns stated in share class currency.

M&G Better Health Solutions Fund

Benchmark: MSCI World Index (Gross)

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

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

The benchmark is shown in Sterling.

M&G Charibond Charities Fixed Interest Fund (Charibond)

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

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

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

Benchmark returns stated in share class currency.

M&G Charity Multi Asset Fund

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

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

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

Benchmark returns stated in share class currency.

M&G Climate Solutions Fund

Benchmark: MSCI World Index (Gross)

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

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

The benchmark is shown in Sterling.

M&G Corporate Bond Fund

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

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

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

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

Benchmark returns stated in share class currency.

M&G Dividend Fund

Benchmark: FTSE All-Share Index

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

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

Benchmark returns stated in share class currency.

M&G Emerging Markets Bond Fund

**Benchmark: A composite index comprising:
1/3 JPM EMBI Global Diversified Index;
1/3 JPM CEMBI Broad Diversified Index;
1/3 JPM GBI-EM Global Diversified Index**

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

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

Benchmark returns stated in share class currency.

M&G Emerging Markets Monthly Income Fund

Benchmark: n/a

The fund is actively managed and it has no benchmark. Investors can assess the performance of the fund by its objective.

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

M&G Episode Allocation Fund

Benchmark: SONIA +5%

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

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

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

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

M&G Episode Growth Fund

Benchmark: IA Mixed Investment 40-85% Shares Sector

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

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

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

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

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

Benchmark returns stated in share class currency.

M&G Episode Income Fund

Benchmark: n/a

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

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

M&G Equities Investment Fund for Charities (Charifund)

Benchmark: FTSE All-Share Index

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

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

The benchmark is shown in Sterling.

M&G European Corporate Bond Fund

Benchmark: ICE BofAML Euro Corporate Index

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

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

Benchmark returns stated in share class currency.

M&G European Index Tracker Fund

Benchmark: FTSE World Europe ex UK Index

The index is a constraining benchmark for the fund.

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

Benchmark returns stated in share class currency.

M&G European Sustain Paris Aligned Fund (previously known as M&G Pan European Select Fund)

Benchmark: MSCI Europe (ex UK) Index

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

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

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

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

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

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

Benchmark returns stated in share class currency.

M&G Gilt & Fixed Interest Income Fund

Benchmark: FTSE UK Conventional Gilts All Stocks Index

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

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

Benchmark returns stated in share class currency.

M&G Global Convertibles Fund

Benchmark: Refinitiv Global Focus Convertible Bond Index

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

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

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

M&G Global Dividend Fund

Benchmark: MSCI ACWI Index

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

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

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

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

Benchmark returns stated in share class currency.

M&G Global Emerging Markets Fund

Benchmark: MSCI Emerging Markets Index

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

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

Benchmark returns stated in share class currency.

M&G Global Enhanced Equity Premia Fund

Benchmark: MSCI ACWI (NUK) 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 to measure the fund's performance and acts as a constraint on the fund's portfolio construction, as certain limits, such as constraints on sector or geographic exposure, may apply at any given time.

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

Benchmark returns stated in share class currency.

M&G Global Floating Rate High Yield Fund

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

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

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

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

M&G Global Government Bond Fund

Benchmark: With effect from 6 March 2023 the benchmark is now the Bloomberg Global Treasury Index Unhedged USD

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

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

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

Benchmark returns stated in share class currency.

M&G Global High Yield Bond Fund

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

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

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

Benchmark returns stated in share class currency.

M&G Global Listed Infrastructure Fund

Benchmark: MSCI ACWI Index

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

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

Benchmark returns stated in share class currency.

M&G Global Macro Bond Fund

Benchmark: With effect from 5 March 2023 the benchmark is now the Bloomberg Global Aggregate Index Unhedged USD

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

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

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

Benchmark returns stated in share class currency.

M&G Global Strategic Value Fund

Benchmark: MSCI ACWI Index

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

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

Benchmark returns stated in share class currency.

M&G Global Sustain Paris Aligned Fund

Benchmark: MSCI World Index

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

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

Benchmark returns stated in share class currency.

M&G Global Target Return Fund

Benchmark: SONIA +2-4%

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

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

M&G Global Themes Fund

Benchmark: MSCI ACWI Index

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

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

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

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

Benchmark returns stated in share class currency.

M&G Index-Linked Bond Fund

Benchmark: FTSE UK Index-linked Gilts All Stocks Index

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

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

Benchmark returns stated in share class currency.

M&G Index Tracker Fund

Benchmark: FTSE All-Share Index

The index is a constraining benchmark for the fund.

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

Benchmark returns stated in share class currency.

M&G Japan Fund

Benchmark: MSCI Japan Index

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

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

The benchmark is shown in Sterling.

M&G Japan Smaller Companies Fund

Benchmark: Russell/Nomura Mid-Small Cap Index

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

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

The benchmark is shown in Sterling.

M&G Managed Growth Fund

Benchmark: IA Flexible Investment Sector

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

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

Benchmark returns stated in share class currency.

M&G North American Dividend Fund

Benchmark: S&P 500 Index

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

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

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

M&G North American Value Fund

Benchmark: S&P 500 Index

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

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

The benchmark is shown in Sterling.

M&G Optimal Income Fund

Benchmark: With effect from 6 March 2023 the benchmark is now a composite index made up of 1/3 Bloomberg Global Treasury Index GBP Hedged; 1/3 Bloomberg Global Aggregate Corporate Index GBP Hedged; 1/3 Bloomberg Global High Yield Index GBP Hedged

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

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

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

Benchmark returns stated in share class currency.

M&G Positive Impact Fund

Benchmark: MSCI ACWI Index

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

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

The benchmark is shown in Sterling.

M&G Property Portfolio (and M&G Feeder of Property Portfolio)

Benchmark: IA UK Direct Property sector

The benchmark is a comparator against which the fund's performance can be measured. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark does not constrain the fund's portfolio construction.

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

The benchmark is shown in Sterling.

M&G Recovery Fund

Benchmark: FTSE All-Share Index

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

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

The benchmark is shown in the share class currency.

M&G Short Dated Corporate Bond Fund

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

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

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

The benchmark has been used since 2018.

M&G Smaller Companies Fund

Benchmark: Numis Smaller Companies Index excluding Investment Companies

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

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

The benchmark is shown in Sterling.

M&G Strategic Corporate Bond Fund (previously known as M&G European Corporate Bond Fund)

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

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

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

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

Benchmark returns stated in share class currency.

M&G Sustainable Global Corporate Bond Fund

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

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

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

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

M&G Sustainable Global High Yield Bond Fund (previously known as M&G Global High Yield ESG Bond Fund)

Benchmark: With effect from 10 May 2022 the benchmark is now the Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index (Hedged GBP)

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

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

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

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

M&G Sustainable Multi Asset Balanced Fund

Benchmark: IA Mixed Investment 20-60% Shares Sector

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

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

The benchmark is shown in Sterling.

M&G Sustainable Multi Asset Cautious Fund

Benchmark: IA Mixed Investment 0-35% Shares Sector

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

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

The benchmark is shown in Sterling.

M&G Sustainable Multi Asset Fund

Benchmark: n/a

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

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

M&G Sustainable Multi Asset Growth Fund

Benchmark: IA Flexible Investment Sector

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

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

The benchmark is shown in Sterling.

M&G UK Income Distribution Fund

Benchmark: A composite index comprising: 70% FTSE All Share Index; 30% FTSE UK Conventional Gilts All Stocks Index

This composite index is the fund's total return benchmark. The yield benchmark is the FTSE All-Share Index. The benchmarks are targets which the fund seeks to outperform, and have been chosen as they best reflect the scope of the fund's investment policy. The benchmarks are used solely to measure the fund's performance and do not constrain the fund's portfolio construction.

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

The total return benchmark is shown in Sterling.

M&G UK Inflation Linked Corporate Bond Fund

Benchmark: UK Consumer Prices Index

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

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

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

M&G UK Sustain Paris Aligned Fund (previously known as M&G UK Select Fund)

Benchmark: FTSE All-Share Index (remains unchanged)

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

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

The benchmark is shown in the share class currency.

A summary of M&G fund share classes

What is a share class?

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

For the majority of M&G funds, investors can choose between the following share classes:

- Sterling Class A Shares
- Sterling Class I Shares
- Sterling Class R Shares

Each share class has been designed with different investment needs in mind.

For your information and to provide further context for our Value Assessment, we have created a summary below of all our classes and explained who typically invests in them. Most M&G funds have different share classes, each offering certain services and carrying its own level of charges to accommodate the different needs of investors, for example hedging against currency risk. The share class that you hold will typically depend on how you invest in any given fund and the value of your investment. Please note all share classes are denominated in Sterling unless another currency is stated.

On 24 June 2022, the Sterling Class 'X' Income and Sterling Class 'X' Accumulation shares were merged into the equivalent Sterling Class 'A' Income and Sterling Class 'A' Accumulation shares. The share classes broadly had the same characteristics so it made commercial sense for M&G to merge these previously separate share classes.* The new 'A' class is predominantly held by:

- Individuals who invest directly with M&G and administer their own investments by phone and post.
- Individuals who invest through a financial adviser, to whom a commission will have been paid.
- Minimum investment level (lump sum): £500.

*Prior to December 2016, the 'X' share class incurred an exit fee on withdrawal. This is no longer the case, as the two share classes have aligned into a single share so exit charges are not applicable upon withdrawal.

The 'R' share class is predominantly held by:

- Individuals who invest through a financial adviser, to whom no commission will be paid, and who typically paid a fee for financial advice.
- Minimum investment level (lump sum): £500.
- Individuals who invest directly through M&G's online-based service, myM&G, and whose investments on myM&G have an overall value of less than £250,000. Annual charges are generally 0.15% lower than 'A' shares for any given fund.

The 'I' share class is predominantly held by:

- Investors who invest through a platform or a financial adviser, who will normally charge fees for their services that are in addition to the fund's charges.
- Individuals who invest directly through M&G's online-based service, myM&G, and whose investments on myM&G have an overall value of at least £250,000.
- Individuals who invest directly with M&G and administer their own investments by phone and post, and whose investment in a given fund is £500,000 or more. Annual charges are generally 0.40% lower than 'A' shares for any given fund.

The 'PP' share class is predominantly held by:

- Professional investors who invest through the M&G Wealth platform.
- UK Wealth managers. Charges are generally lower than 'I' shares for any given fund.

Non-Sterling share classes are those denominated in either Euros or US Dollars (USD):

- 'Euro A' / 'USD A' shares are distributed to investors through European distributors. Rebates are paid by M&G to the distributor. Charges are the same or higher than the Sterling 'A' shares for any given fund.
- 'Euro C' / 'USD C' shares are distributed to investors through European distributors. No rebates are paid by M&G to the distributor. Charges are in line with Sterling 'I' shares for any given fund.

Hedged share classes are indicated by the '-H' suffix. This means the effects of movements between a fund's base currency and the currency of the hedged share class are mitigated, reducing investors' exposure to currency fluctuations.

Please note within each share class you are also required to choose between:

- Taking a regular income from your investments by choosing Income shares.
- Reinvesting the income they generate through choosing Accumulation shares.

Income shares entitle the holder to be paid the income attributed to those shares on the payment date. This is usually paid twice a year but can be paid annually, quarterly or monthly depending on the fund.

Accumulation shares don't pay income. Instead, they automatically reinvest any income accruing to the fund and this is reflected in the share price. If a fund only offers Income shares, any net income can be reinvested to buy more shares. However please note that where income from underlying investments is saved up within the fund throughout the accounting period and reinvested to buy more shares on the reinvestment date, the income is not exposed to any market movements (up or down), unlike accumulation shares which reinvest income automatically once received.

This means you can choose the best investment options for your individual requirements. Investors who invest through a platform or a financial adviser, who will normally charge fees for their services that are in addition to the fund's charges.



Glossary of terms

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

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

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

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

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

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

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

Capital Refers to the financial assets, or resources, that a company has to fund its business operations.

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

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

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

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

Convertible bonds Fixed income securities that can be exchanged for predetermined amounts of company shares at certain times during their life. Corporate bonds Fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky.

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

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

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

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

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

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

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

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

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

Equities Shares of ownership in a company.

ESG integration Including ESG (environmental, social and governance) factors as an integral part of the investment decision-making process, with this extra-financial analysis integrated into the overall analysis of a potential investment.

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

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

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

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

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

Hedging A method of reducing unnecessary or unintended risk.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

